

**INFORMATION MEMORANDUM**  
(PREPARED BASED ON SCHEDULE II TO THE COMPANIES ACT, 1956 TO THE  
EXTENT APPLICABLE)

Sr. No.	Particulars	Remarks / Information
	Part I	
1.	General Information	
(a)	Name and address of registered office of the company	ENCORE BUSINESS SYSTEM LIMITED 2 <sup>nd</sup> floor, Khaleeli Centre, 4, Montieth Road, Egmore Chennai – 600008
II.	Capital Structure of the Company	
a.	Authorised Capital	Rs.100, 000,000 (comprising 10,000,000 equity shares of face value of Rs.10/- each.
	Issued, subscribed and paid up capital	Rs.30,974,210/- (comprising 3097421 equity shares of face value of Rs.10/- each)
V.	Company, management and project	
(a)	History and main objects and present business of the company	Currently the company has diversified into Corporate consultancy business on executing projects on turnkey basis. Specialised in auto ancillaries in corrosion resistance process for enhancing the end value in industrial components. Corporate training of manpower, especially in speciality engineering coating.etc.,
(b)	Subsidiary (ies) of the company, if any	Not applicable
(c)	Promoters and their background	Mr. R. Rangarajan, A Senior Chartered Accountant with over 35 years of experience in Corporate Finance, Foreign Exchange, Credit Appraisal, Merchant

		banking, venture funding, managing corporate and strategic affairs of various organization of diverse interest, qualified in 1969 batch, listed among the first 50 in the merit list. He has participated in Chief Executive Programme of Indian Institute of Management, Ahmedabad. His professional career initiated at Bank of India, Merchant Banking and corporate finance division, foreign exchange departments. He then moved into various positions in Corporate such as General Manager, Mercantila Credit Corporation Ltd., CEO, Harita Finance Ltd., President, Pace Automations Ltd., and Director, Encore Business Systems Ltd.,
(d)	Names, addresses and occupation of Manager, managing director and other directors including nominee-directors, whole-time directors (giving their directorships in other companies)	<p>Mr. R. Rangarajan, Director 1009, TVS Colony, Anna Nagar Western Extn., Chennai-600101</p> <p>Director – Honeycomb Technologies Pvt. Ltd.,</p> <p>Director – Mpire Consultants Pvt.Ltd.,</p> <p>Mrs. Rajalakshmi Rangarajan, Director, 1009, TVS Colony, Anna Nagar Western Extn. Chennai-600101</p> <p>Mr. Sundararajan Venugopal Director 7/4, Mannar Street, T. Nagar, Chennai – 600 017.</p> <p>Director – Chennai Engineering Coating Company Pvt. Ltd.,</p>
(e)	Location of project	Regd. Office at 2 <sup>nd</sup> floor, Khaleeli

		Centre, 4 Montieth Road, Egmore, Chennai-600008
(f)	Plant and Machinery, technology, process etc.	Not applicable
(g)	Collaboration, any performance guarantee or assistance in marketing by the collaborator	Not applicable
(h)	Infrastructure facilities for raw materials and utilities like water, electricity etc.	Not applicable
(i)	<p>The products:</p> <p>(i) Nature of the product(s) – consumer industrial and end users.</p> <p>ii. Approach to marketing and proposed marketing set up.</p> <p>iii. Export possibilities and export obligations, if any (in case of a company providing any “service” particulars, as applicable, be furnished)</p>	<p>Currently the company has diversified into Corporate consultancy business on executing projects on turnkey basis. Specialised in auto ancillaries in corrosion resistance process for enhancing the end value in industrial components. Corporate training of manpower, especially in speciality engineering coating</p>
VI.	Following particulars in regard to the company and other listed companies under the same management within the meaning of section 370 (1B) which made any capital issue during the last three years:	Not applicable
	Name of the company	
	Year of Issue	
	Type of Issue (public/rights/composite)	
	Amount of Issue	
	Date of closure of issue	
	Date of completion of delivery of share / debenture certificate	
	Date of completion of the project, where object of the issue was financing of a project	

	Rate of dividend paid	
VII.	Outstanding litigation pertaining to	
(a)	(i)matters like to affect operation and finances of the company including disputed tax liabilities of any nature; And (ii) Criminal prosecution launched against the company and the directors for alleged offences under the enactments speicified in paragraph 1 of Part 1 of schedule XIII to the companies act 1956	NIL  NIL
(b)	Particulars of default, if any, in meeting statutory dues, institutional dues, and towards instrument holders like debentures, fixed deposits, and arrears on cumulative preference shares, etc. (also give the same particulars about the companies promoted by the same private promoters and listed on stock exchange)	Not applicable
©	Any material development after the date of the latest balance sheet and its impact on performance and prospects of the company	No material development which will have any impact on the performance of the company
VIII	Management perception of risk factors (e.g. sensitivity to foreign exchange rate fluctuations, difficulty in availability of raw materials or in marketing of products, cost/time overrun etc.)	NOT APPLICABLE
	Part II	
A.	General Information	
3.	Change, if any, in directors and auditors during the last three years, and reasons thereof	Directors : Mr. R. Rangarajan Mrs. Rajalakshmi Rangarajan Mr. Sundararajan Venugopal –

		<p>Auditors: Parimelazhagan &amp; Co.</p> <p>No change in directors or auditors for the last three years</p>
<b>B.</b>	Financial information Reports to be set out	enclosed
<b>1.</b>	<p>A report by the auditors of the company with respect to –</p> <p>(a) profits and losses and assets and liabilities, in accordance with sub-clause (2) or (3) of this clause, as the case may required; and</p> <p>(b) the rates of the dividends, if any, paid by the company in respect of each class of shares in the company for each of the five financial years immediately preceding the issue of the prospects, giving particulars of each class of shares on which such dividends have been paid and particulars of the cases in which no dividends have been paid in respect of any class of shares for any of those years, and, if no accounts have been made up in respect of any part of the period of five years ending on a date of three months before the issue of the prospects, containing a statement of the fact ( and accompanied by a statement of the accounts of the company in respect of that part of the said period upt a date not earlier than six months of the date of issue of prospects indicating the profit or loss for that period and the assets and liabilities position as at the end of that period together with a certificate from the auditors that such accounts</p>	<p><b>As per attachment</b></p> <p>Not applicable</p>

	have been examined and found correct by them. The said statement may indicate the nature of provision or adjustments made or are yet to be made).	
<b>2.</b>	<p>If the company has no subsidiaries, the report shall –</p> <p>(a) so far as regards profits and losses, deal with the profits or losses of the company (distinguishing items of a non recurring nature) for each of the five financial years immediately preceding the issue of the prospects; and</p> <p>(b) so far as regards assets and liabilities, deal with the assets and liabilities of the company at the last date to which the accounts of the company were made up.</p>	<p>As per attachment</p> <p>Not applicable</p>
<b>3.</b>	<p>If the company has subsidiaries the report shall –</p> <p>(a) so far as regards profit and losses, deal separately with the company's profits or losses as provided by sub-clause (2) and in addition deal either –</p> <p>(i) as a whole with the combined profits or losses of its subsidiaries so far as they concern members of the company, or</p> <p>(ii) individually with the profits or losses of each subsidiary, so far as they concern members of the company; or instead of dealing separately with the company's profits or losses deal as a whole with the profits or losses of the company, and, so far as they concern members of the company, with the</p>	<p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p>

	<p>combined profits or losses of its subsidiaries, and</p> <p>(b) so far as regards assets and liabilities, deal separately with the company's assets and liabilities as provided by sub-clause (2) and in addition, deal either –</p> <p>(i)As a whole with the combined assets and liabilities of its subsidiaries, with or without the company's assets and liabilities, or</p> <p>(ii)individually with the assets and liabilities of each subsidiary; and shall indicate as respects the assets and liabilities of the subsidiaries, the allowance to be made for persons other than members of the company.</p>	<p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p>
<b>6.</b>	Principal terms of loan and assets charged as security.	The company does not have any loan availed from the bank or financial institutions and hence there is no charge in whatsoever nature, created on the assets of the company
<b>C.</b>	Statutory and other information	Not applicable
<b>4.</b>	Previous issues for cash	Not applicable
<b>5.</b>	Previous public or rights issue, if any; (during last five years)	Not applicable
<b>6.</b>		
	<p>(a)Date of allotment:</p> <p>Closing date :</p> <p>Date of refunds:</p> <p>Date of listing on the stock exchange:</p>	Not applicable
	(b) If the issue(s) at premium or	

	discount and the amount thereof.	Not applicable
	(c)The amount paid or payable by way of premium, if any, on each share which had been issued within the two yeears preceding the date of the prospectus or is to be issued, stating the dates or proposed dates of issue and, where some shares have been or are to be issued at a premium and other shares of the same class at a lower premium, or at par or at a discount, the reasons for the differentiation and how many premiums received have been or are to be disposed.	Not applicable
<b>6.</b>	Commission or brokerage on previous issue.	Not applicable
<b>7.</b>	Issue of share otherwise than for cash.	Not applicable
<b>8.</b>	Debentures and redeemable preference shares and other instruments issued by the company outstanding as on the date of prospectus and terms of issue.	Not applicable
<b>11.</b>	(i)Details of directors, proposed directors, whole-time directors, their remuneration, appointment and remuneration of managing directors, interest of directors, their borrowing powers and qualification shares.  Any amount or benefit paid or given within the two opreceding years or intended to be paid or given to any promoter or officer and consideration for payment of giving of the benefit.	Not applicable
	(ii)The dates, parties to, and general nature of –	



	<p>(a) every contract appointing or fixing the remuneration of a managing director manager whenever entered into, that is to say, whether within or more than, two years before the date of prospectus;</p> <p>(b) every other material contract, not being a contract entered into the ordinary course of the business carried on or intended to be carried on by the company or a contract entered into more than two years before the date of the prospectus. A reasonable time and place at which any such contract or a copy thereof may be inspected.</p>	<p>Not applicable</p> <p>Not applicable</p>
	<p>(iii) Full particulars of the nature and extent of the interest, if any of every director or promoter –</p> <p>(a) in the promotion of the company; or</p> <p>(b) in any property acquired by the company within two years of the date of prospectus or proposed to be acquired by it.</p> <p>Where the interest of such a director or promoter consists in being a member of a firm or company, the nature and extent of the interest of the firm or company, with a statement of all sums paid or agreed to be paid to him or to the firm or company in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a director, or otherwise for services rendered by him or by the firm or company, in connection with the promotion or formation of the company.</p>	<p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p>

<b>12.</b>	Rights of members regarding voting, dividend, lien on shares and the process for modification of such rights and forfeiture of shares.	At par
<b>13.</b>	Restrictions, if any, on transfer and transmission of shares/debentures and on their consolidation / splitting.	None
<b>14.</b>	Revaluation of assets, if any (during last five years)	Nil
<b>15.</b>	Material contracts and inspection of documents, e.g.  A. Material contracts B. Documents  C. Time and place at which the contracts together with documents will be available for inspection from the date of prospectus until the date of closing of the subscription list.	As on date the company does not have any materials contract in hand.
	Part	
	III	
	Provisions applying to Part I and II of	the schedule
<b>16.</b>	Every person shall, for the purpose of the schedule, be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase or for any option of purchase, of any property to be acquired by the company, in any case where –  (a) the purchase money is not fully paid at the date of the issue of the prospectus;  (b) the purchase money is to be paid or satisfied, wholly, or in part, out of	Not applicable

	<p>the proceeds of the issue offered for subscription by the prospectus'</p> <p>© the contract depends for its validity or fulfillment on the result of that issue.</p>	
<b>17</b>	<p>Where any property to be acquired by the company is to be taken on lease, this schedule shall have effect as if the expression "vendor" included in the lessor, the expression "purchase money" included the consideration for the lease, and the expression "sub-purchaser" included in sub-lease</p>	Not applicable
<b>18</b>	<p>If in the case of a company which has been carrying on business, or of a business which has been carried on for less than five financial years, the accounts of the company or business have only been made up in respect of four such year, three such years, two such years or one such years, Part II of this schedule shall have effect as if references to four financial years, three financial years, two financial years or one financial year, as the case may be, were substituted for references to five financial years.</p>	Not applicable
<b>19</b>	<p>Where the five financial years immediately preceding the issue of the prospectus which are referred to in Part II of this schedule or in this Part cover a period of less than five years, references to the said five financial years in either Part shall have effect as if references to a number of financial years the aggregate period covered by which is not less than five years immediately preceding the issue of the prospects were substituted for reference to the five financial years aforesaid.</p>	Not applicable

<p><b>20</b></p>	<p>Any report required by Part II of this schedule shall either –</p> <p>(a) Indicate by way of note any adjustments as respects the figures of any profits or losses or assets and liabilities dealt with by the report which appear to the persons making the report necessary ; or</p> <p>(b) Make those adjustments and indicate that adjustments have been made</p>	<p>Not applicable</p> <p>Not applicable</p>

<p><b>21</b></p>	<p>Any report by accounts required by Part II of this schedule –</p> <p>(a) shall be made by accountants qualified under this Act for appointment as auditors of the company, and</p> <p>(b) shall not be made by any accountant who is an officer or servant; or a partner or in the employment of an officer or servant, of the company or of the company's subsidiary or holding company or of a subsidiary of the company's holding company.</p> <p>For the purposes of this clause, the expression "officer" shall include a proposed director but not an auditor.</p>	<p>Not applicable</p> <p>Not applicable</p>
<p><b>22.</b></p>	<p>Inspection of documents Reasonable time and place at which copies of all balance sheets and profit and loss accounts, if any, on which the report of the auditors is based, and material contract and other documents may inspected.</p> <p>Note: Term "year" wherever used hereinafter, means financial year.</p>	<p>All statutory records are available at the Registered Office of the Company.</p>

#### Declaration

That all the relevant provisions of the Companies Act 1956 and the guidelines issued by the Government or the guidelines issued by the Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act 1992, as the case may be, have been complied with and no statement made in prospectus is contrary to the provisions of the Companies Act 1956 or the Securities and Exchange Board of India Act 1992, or rules made there under or guidelines issued, as the case may be.

Place: Chennai

Date:

Note: 1. Kindly note that the below clauses are not applicable to the company sorting revocation.

. Part I – 1b(1), 1b(2), 1c, 1d, 1e, 1f, 1g, 1h, 1i, 1j, 1k, 11, 2b, 2c, 3, 4, 5(), 5(k),

. Part II – A(1), A(2), A(4), A(5), A(6), B1(b), B4, B5, C1, C2, C3, C6, 9A, 10

History:

**HISTORY OF THE COMPANY –**

**ENCORE BUSINESS SYSTEM LIMITED**

- Encore Business System Limited (EBSL) was originally incorporated in the year 1990 as Encore Growth Finance Ltd., and changed the name as Elcot Growth Finance Limited in 1998 and in 2005 as Encore Business System Limited.
- EBSL is into Corporate Consultancy business on executing projects on a turnkey basis. Specialised in auto ancillaries in corrosion resistance process for enhancing the end value of industrial components used in automobiles / electrical / electronics / wind mills etc.,
- Company is also in Corporate training of man power in industries like software, speciality engineering coating etc.
- The day to-day business of the company is being managed by Mr. R. Rangarjan, Director.

Name and address and occupation of manager, managing director and other directors including nominee directors, whole time directors (giving their directorship in other companies)

Sr.No	Name	Address	Occupation	Other directorship
1.	Mr. R. Rangarajan	1009, TVS Colony, Anna Nagar West Extn. Chennai-600101	Business	Honeycomb Technologies Pvt. Ltd.  Mpire Consultants P. Ltd.,
2.	Mrs. Rajalakshmi Rangarajan	1009, TVS Colony, Anna Nagar West Extn. Chennai – 600101.	Business	NIL
3.	Mr. Sundararajan Venugopal	7/4 Mannar St., T. Nagar, Chennai – 600017	Business	Chennai Engineering Coating Co. P. Ltd.,

**Attachments to Information Memorandum:**

<input type="checkbox"/> Details of Dividend and Cash Bonuses if any, paid during the last ten years	During the last ten years there was no dividend declared and paid by the company.
<input type="checkbox"/> Details on shares forfeited	There was no share forfeiture during the last ten years.
<input type="checkbox"/> History of Share Capital & Other Securities	<p><b><u>Authorised Capital</u></b></p> <p>Rs.100, 000,000 (comprising 10,000,000 equity shares of face value of Rs.10/- each.</p> <p><b><u>Issued, subscribed and paid up capital</u></b></p> <p>Rs.30,974,210/- (comprising 3097421 equity shares of face value of Rs.10/- each)</p> <p><b><u>Distinctive Number</u></b></p> <p>From 01 to 3097421.</p> <p><b><u>ISIN Code</u></b></p> <p>INE572B01018</p> <p><b>No other securities have been issued by the company.</b></p>
<input type="checkbox"/> Risk Factors	<p>a. Trained manpower</p> <p>b. Labor turnover.</p> <p>c. Increasing technology</p>



- **Distribution of Holdings As on 7<sup>th</sup> Nov 2014**

Share or Debenture holding of nominal value		Share/Debenture Holders		Share/Debenture Amount	
Rs.	Rs.	Number	% to Total	Rs.	% to Total
(1)	(1)	(2)	(3)	(4)	(5)
Up to - 5000		3251	82.3663	7948730	25.6624
5001 - 10000		469	11.8824	4010730	12.9486
10001 - 20000		130	3.2936	1995500	6.4424
20001 - 30000		33	0.8360	885000	2.8572
30001 - 40000		16	0.4053	578000	1.8660
40001 - 50000		20	0.5067	988000	3.1897
50001 - 100000		12	0.3040	801100	2.5863
100001 and above		16	0.4052	13767150	44.4471
<b>TOTAL</b>		<b>3947</b>	<b>100.0000</b>	<b>30974210</b>	<b>100.0000</b>

- List of top 10 shareholders along with the number of shares held as on 7<sup>th</sup> Nov 2014

Serial No.	Name	Address	No Of Shares	Percentage
1	RANGARAJAN. R .	1009 TVS COLONY, ANNAGAR ,WEST EXTENT,CHENNAI,TAMILNADU,INDIA,600101	307290	9.92%
2	V GEETHA KARANTH	OLD NO 37 NEW NO 4,SRIMAN SRINIVASA ROAD,ALWARPET,CHENNAI,600018	150000	4.84%
3	VIJAYA RAO	G/3, GURU SIVA APARTMENTS NO 18,8TH STREET, NR ANJAWAN TEPLE,NANGANALLUR,CHENNAI,600061	150000	4.84%
4	KIZHANATHAM SRINIVASAN RAJAGOPALAN	B/3 APPASWAMY TOWERS,27/17 SIR THIAGARAYA ROAD,T NAGAR,CHENNAI,600017	140000	4.52%
5	ANUSHA	NO 16 OLD NO 40,AZIZ NAGAR,II STREET KODAM BAKKAM,CHENNAI,600024	132515	4.28%
6	RAJALAKSHMI RANGARAJAN	1009,ANNA NAGAR WEST EXTN.,CHENNAI,TAMILNADU,INDIA,600101	128400	4.15%
7	VARADARAJULU V	OLD NO 88 NEW NO 46,SARAVANA PERUMAL STREET,PURASAIWAKKAM,CHENNAI,600084	119135	3.85%
8	SRIRAM VANGAL	OZONE VILLAS, ROW HOUSE, D-121,GATE NO.1420, PUNE NAGAR ROAD,WAGHOLI, HAVELI, MANJARI FARM,PUNE,MAHARASHTRA,INDIA,412307	54400	1.76%
9	ELECTRONICS CORPORATION OF TAMIL NADU	735 ANNA SALAI,CHENNAI,TAMILNADU,600002	46370	1.50%
10	SUNDARARAJAN VENUGOPAL	OLD NO 4 NEW NO 7,MANNAR REDDY STREET,T NAGAR,CHENNAI,600017	42905	1.39%

Name of the Key Managerial personals, company secretary/ Compliance Officer and Directors as on 7<sup>th</sup> Nov 2014.

Sr.No	Name	Position in company	Address	Occupation
1.	Mr. R. Rangarajan	Director	1009, TVS Colony, Anna Nagar West Extn. Chennai-600101	Business
2.	Mrs. Rajalakshmi Rangarajan	Director	1009, TVS Colony, Anna Nagar West Extn. Chennai – 600101.	Business
3.	Mr. Sundararajan Venugopal	Director	7/4 Mannar St., T. Nagar, Chennai – 600017	Business
4.	Mr. T.N. Soundarajan	Compliance Officer	88, Saravana perumal street, Purasaiwakkam, Chennai- 600084	Service

- Share Holding Pattern as per clause 35, as on date and last two quarters

Attached bellow as on date and for the quarter ends 30June 2014 and 30 Sept 2014.

- Last five years Company financials like cash flow statement, Profit and Loss account and Balance Sheet.

Attached bellow Financials from F.Y. 2009-10 to F.Y. 2013-14.

- Details of Material Contracts

There is no material contract which will have any impact on the performance of the company.

- Details of litigation, copy of show cause notices / Orders, if any, issued by any regulatory authority to Company / promoters and related correspondence thereof

There was no litigation, show cause notices / Orders, issued by any regulatory authority to Company / promoters.

Security Details

<b>CLAUSE 35</b>			
<b>Introductory sub-table (I)(a)</b>			
<b>NAME OF THE COMPANY : ENCORE BUSINESS SYSTEM LIMITED</b>			
<b>SCRIP CODE : 531750 NAME OF THE SCRIP : CLASS OF SECURITY : EQUITY</b>			
<b>QUARTER ENDED :</b>			
<b>SHAREHOLDING PATTERN AS ON : 14-Nov-2014</b>			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group			
Held by public			
Total - D			
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group			
Held by public			
Total - E			
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group			
Held by public			
Total - F			
<b>Total paid-up capital of the company, assuming full Conversion of warrants and convertible securities</b>	<b>3097421</b>		

Main shareholding

Statement Showing Shareholding Pattern								
Table (I)(a)								
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					AS A % OF (A+B)	AS A % OF (A+B+C)	Number of shares	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>							
1.	INDIAN							
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	2	435690	435690	14.0662	14.0662	0	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	0	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0.0000	0	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0.0000	0	0.0000
e.	ANY OTHER							
	DIRECTORS AND THEIR RELATIVES	1	42905	42905	1.3851	1.3851	0	0.0000
		<b>1</b>	<b>42905</b>	<b>42905</b>	<b>1.3851</b>	<b>1.3851</b>	<b>0</b>	<b>0.0000</b>
	<b>SUB - TOTAL (A)(1)</b>	<b>3</b>	<b>478595</b>	<b>478595</b>	<b>15.4514</b>	<b>15.4514</b>	<b>0</b>	<b>0.0000</b>
2.	FOREIGN							
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0.0000	0	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0.0000	0	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0.0000	0	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	0	0.0000
e.	ANY OTHER							
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>

## Main shareholding

	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>3</b>	<b>478595</b>	<b>478595</b>	<b>15.4514</b>	<b>15.4514</b>	<b>0</b>	<b>0.0000</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>							
1.	INSTITUTIONS							
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0.0000	NA	NA
b.	FINANCIAL INSTITUTIONS/ BANKS	3	67570	21200	2.1814	2.1814	NA	NA
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	NA	NA
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0.0000	NA	NA
e.	INSURANCE COMPANIES	0	0	0	0.0000	0.0000	NA	NA
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0.0000	NA	NA
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0.0000	NA	NA
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	NA	NA
i.	ANY OTHER							
	<b>SUB - TOTAL (B)(1)</b>	<b>3</b>	<b>67570</b>	<b>21200</b>	<b>2.1814</b>	<b>2.1814</b>	<b>NA</b>	<b>NA</b>
2.	NON-INSTITUTIONS							
a.	BODIES CORPORATE	36	38950	20600	1.2574	1.2574	NA	NA
b.	INDIVIDUALS -							
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	3869	1678743	674619	54.1980	54.1980	NA	NA
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	10	816950	796950	26.3751	26.3751	NA	NA
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	NA	NA
d.	ANY OTHER							
	HINDU UNDIVIDED FAMILIES	18	10263	10263	0.3313	0.3313	NA	NA
	NON RESIDENT INDIANS	8	6350	6350	0.2050	0.2050	NA	NA
		<b>26</b>	<b>16613</b>	<b>16613</b>	<b>0.5363</b>	<b>0.5363</b>	<b>NA</b>	<b>NA</b>
	<b>SUB - TOTAL (B)(2)</b>	<b>3941</b>	<b>2551256</b>	<b>1508782</b>	<b>82.3671</b>	<b>82.3671</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>3944</b>	<b>2618826</b>	<b>1529982</b>	<b>84.5485</b>	<b>84.5485</b>	<b>NA</b>	<b>NA</b>

Main shareholding

	<b>TOTAL (A)+(B)</b>	<b>3947</b>	<b>3097421</b>	<b>2008577</b>	<b>100.0000</b>	<b>100.0000</b>	<b>NA</b>	<b>0.0000</b>
<b>C.</b>	<b>SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>							
	Promoter and Promoter Group	0	0	0	0.0000	0.0000	NA	NA
	Public	0	0	0	0.0000	0.0000	NA	NA
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>NA</b>	<b>NA</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3947</b>	<b>3097421</b>	<b>2008577</b>		<b>100.0000</b>	<b>0</b>	<b>0.0000</b>



## Promoters

<b>ENCORE BUSINESS SYSTEM LIMITED</b>											
<b>(l)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" - 14-Nov-2014</b>											
Sr.No	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	No. of Shares held	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)= (V)/ (III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	SUNDARARAJAN VENUGOPAL	42905	1.3851	0	0.0000	0.0000	0	0.0000	0	0.0000	1.3851
2	RAJALAKSHMI RANGARAJAN	128400	4.1453	0	0.0000	0.0000	0	0.0000	0	0.0000	4.1453
3	RANGARAJAN.R .	307290	9.9208	0	0.0000	0.0000	0	0.0000	0	0.0000	9.9208
	<b>TOTAL</b>	<b>478595</b>	<b>15.4514</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>15.4514</b>

<b>ENCORE BUSINESS SYSTEM LIMITED</b>								
<b>(l)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares - 14-Nov-2014</b>								
Sr.No	Name of the shareholder	No. of Shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para(l)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	ELECTRONICS CORPORATION OF TAMIL	46370	1.4970	0	0.0000	0	0.0000	1.4970
2	VIJAYA RAO	150000	4.8427	0	0.0000	0	0.0000	4.8427
3	V GEETHA KARANTH	150000	4.8427	0	0.0000	0	0.0000	4.8427
4	VARADARAJULU V	119135	3.8462	0	0.0000	0	0.0000	3.8462
5	ANUSHA	132515	4.2782	0	0.0000	0	0.0000	4.2782
6	KIZHANATHAM SRINIVASAN RAJAGOPALAN	140000	4.5198	0	0.0000	0	0.0000	4.5198
7	SRIRAM VANGAL .	54400	1.7562	0	0.0000	0	0.0000	1.7562
	<b>TOTAL</b>	<b>792420</b>	<b>25.5832</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>25.5832</b>

## Introductory sub-table (I)(a)

<b>CLAUSE 35</b>			
<b>Introductory sub-table (I)(a)</b>			
<b>NAME OF THE COMPANY : ENCORE BUSINESS SYSTEM LIMITED</b>			
<b>SCRIP CODE : 531750 NAME OF THE SCRIP : CLASS OF SECURITY : EQUITY</b>			
<b>QUARTER ENDED :</b>			
<b>SHAREHOLDING PATTERN AS ON : 30-Jun-2014</b>			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group			
Held by public			
Total - D			
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group			
Held by public			
Total - E			
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group			
Held by public			
Total - F			
<b>Total paid-up capital of the company, assuming full Conversion of warrants and convertible securities</b>	<b>3097421</b>		

Main shareholding

Statement Showing Shareholding Pattern								
Table (I)(a)								
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					AS A % OF (A+B)	AS A % OF (A+B+C)	Number of shares	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>							
1.	INDIAN							
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	5	444000	435690	14.3345	14.3345	0	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	0	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0.0000	0	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0.0000	0	0.0000
e.	ANY OTHER							
	DIRECTORS AND THEIR RELATIVES	4	4500	0	0.1452	0.1452	0	0.0000
		<b>4</b>	<b>4500</b>	<b>0</b>	<b>0.1452</b>	<b>0.1452</b>	<b>0</b>	<b>0.0000</b>
	<b>SUB - TOTAL (A)(1)</b>	<b>9</b>	<b>448500</b>	<b>435690</b>	<b>14.4797</b>	<b>14.4797</b>	<b>0</b>	<b>0.0000</b>
2.	FOREIGN							
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0.0000	0	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0.0000	0	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0.0000	0	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	0	0.0000
e.	ANY OTHER							
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>

## Main shareholding

	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>9</b>	<b>448500</b>	<b>435690</b>	<b>14.4797</b>	<b>14.4797</b>	<b>0</b>	<b>0.0000</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>							
1.	INSTITUTIONS							
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0.0000	NA	NA
b.	FINANCIAL INSTITUTIONS/ BANKS	3	67570	21200	2.1814	2.1814	NA	NA
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	NA	NA
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0.0000	NA	NA
e.	INSURANCE COMPANIES	0	0	0	0.0000	0.0000	NA	NA
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0.0000	NA	NA
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0.0000	NA	NA
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	NA	NA
i.	ANY OTHER							
	<b>SUB - TOTAL (B)(1)</b>	<b>3</b>	<b>67570</b>	<b>21200</b>	<b>2.1814</b>	<b>2.1814</b>	<b>NA</b>	<b>NA</b>
2.	NON-INSTITUTIONS							
a.	BODIES CORPORATE	36	38950	20600	1.2574	1.2574	NA	NA
b.	INDIVIDUALS -							
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	3864	1667033	675719	53.8200	53.8200	NA	NA
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	12	859255	805455	27.7409	27.7409	NA	NA
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	NA	NA
d.	ANY OTHER							
	HINDU UNDIVIDED FAMILIES	18	10263	10263	0.3313	0.3313	NA	NA
	NON RESIDENT INDIANS	7	5850	5850	0.1888	0.1888	NA	NA
		<b>25</b>	<b>16113</b>	<b>16113</b>	<b>0.5202</b>	<b>0.5202</b>	<b>NA</b>	<b>NA</b>
	<b>SUB - TOTAL (B)(2)</b>	<b>3937</b>	<b>2581351</b>	<b>1517887</b>	<b>83.3387</b>	<b>83.3387</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>3940</b>	<b>2648921</b>	<b>1539087</b>	<b>85.5202</b>	<b>85.5202</b>	<b>NA</b>	<b>NA</b>

Main shareholding

	<b>TOTAL (A)+(B)</b>	<b>3949</b>	<b>3097421</b>	<b>1974777</b>	<b>100.0000</b>	<b>100.0000</b>	<b>NA</b>	<b>0.0000</b>
<b>C.</b>	<b>SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>							
	Promoter and Promoter Group	0	0	0	0.0000	0.0000	NA	NA
	Public	0	0	0	0.0000	0.0000	NA	NA
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>NA</b>	<b>NA</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3949</b>	<b>3097421</b>	<b>1974777</b>		<b>100.0000</b>	<b>0</b>	<b>0.0000</b>

Promoter and Promoter Group

<b>ENCORE BUSINESS SYSTEM LIMITED</b>											
<b>(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" - 30-Jun-2014</b>											
Sr.No	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	No. of Shares held	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)= (V)/ (III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	RANGARAJAN R	1600	0.0516	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0516
2	RAJALAKSHMI RANGARAJAN	5710	0.1843	0	0.0000	0.0000	0	0.0000	0	0.0000	0.1843
3	RAJALAKSHMI RANGARAJAN	1000	0.0322	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0322
4	MADHUSUDHAN RANGARAJAN	700	0.0225	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0225
5	RAJALAKSHMI R	200	0.0064	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0064
6	VAISHNAVIE R RAJAN	1600	0.0516	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0516
7	VAISHNAVI R	2000	0.0645	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0645
8	RAJALAKSHMI RANGARAJAN	128400	4.1453	0	0.0000	0.0000	0	0.0000	0	0.0000	4.1453
9	RANGARAJAN.R .	307290	9.9208	0	0.0000	0.0000	0	0.0000	0	0.0000	9.9208
	<b>TOTAL</b>	<b>448500</b>	<b>14.4797</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>14.4797</b>

<b>ENCORE BUSINESS SYSTEM LIMITED</b>								
<b>(l)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares - 30-Jun-2014</b>								
Sr.No	Name of the shareholder	No. of Shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para(l)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	SRIRAM VANGAL	33800	1.0912	0	0.0000	0	0.0000	1.0912
2	ELECTRONICS CORPORATION OF TAMIL	46370	1.4970	0	0.0000	0	0.0000	1.4970
3	K ANANTHA VALLI	42905	1.3851	0	0.0000	0	0.0000	1.3851
	K. ANANTHAVALLI .	600	0.0193	0	0.0000	0	0.0000	0.0193
4	VIJAYA RAO	150000	4.8427	0	0.0000	0	0.0000	4.8427
5	V GEETHA KARANTH	150000	4.8427	0	0.0000	0	0.0000	4.8427
6	VARADARAJULU V	119135	3.8462	0	0.0000	0	0.0000	3.8462
7	ANUSHA	132515	4.2782	0	0.0000	0	0.0000	4.2782
8	KIZHANATHAM SRINIVASAN RAJAGOPALAN	140000	4.5198	0	0.0000	0	0.0000	4.5198
	<b>TOTAL</b>	<b>815325</b>	<b>26.3227</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>26.3227</b>



Securities Details

<b>CLAUSE 35</b>			
<b>Introductory sub-table (I)(a)</b>			
<b>NAME OF THE COMPANY : ENCORE BUSINESS SYSTEM LIMITED</b>			
<b>SCRIP CODE : 531750 NAME OF THE SCRIP : CLASS OF SECURITY : EQUITY</b>			
<b>QUARTER ENDED :</b>			
<b>SHAREHOLDING PATTERN AS ON : 30-Sep-2014</b>			
Partly paid-up shares:-	No. of partly paid-up shares	As a % of total no. of partly paid-up shares	As a % of total no. of shares of the company
Held by promoter/promoter group			
Held by public			
Total - D			
Outstanding convertible securities:-	No. of outstanding securities	As a % of total no. of outstanding convertible securities	As a % of total no. of shares of the company, assuming full conversion of the convertible securities
Held by promoter/promoter group			
Held by public			
Total - E			
Warrants:-	No. of warrants	As a % of total no. of warrants	As a % of total no. of shares of the company, assuming full conversion of warrants
Held by promoter/promoter group			
Held by public			
Total - F			
<b>Total paid-up capital of the company, assuming full Conversion of warrants and convertible securities</b>	<b>3097421</b>		

Main shareholding

Statement Showing Shareholding Pattern								
Table (I)(a)								
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					AS A % OF (A+B)	AS A % OF (A+B+C)	Number of shares	As a percentage (IX)= (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>							
1.	INDIAN							
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	5	444000	435690	14.3345	14.3345	0	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	0	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0.0000	0	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0.0000	0	0.0000
e.	ANY OTHER							
	DIRECTORS AND THEIR RELATIVES	5	47405	42905	1.5304	1.5304	0	0.0000
		<b>5</b>	<b>47405</b>	<b>42905</b>	<b>1.5304</b>	<b>1.5304</b>	<b>0</b>	<b>0.0000</b>
	<b>SUB - TOTAL (A)(1)</b>	<b>10</b>	<b>491405</b>	<b>478595</b>	<b>15.8649</b>	<b>15.8649</b>	<b>0</b>	<b>0.0000</b>
2.	FOREIGN							
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0.0000	0	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0.0000	0	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0.0000	0	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	0	0.0000
e.	ANY OTHER							
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>

Main shareholding

	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>10</b>	<b>491405</b>	<b>478595</b>	<b>15.8649</b>	<b>15.8649</b>	<b>0</b>	<b>0.0000</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>							
1.	INSTITUTIONS							
a.	MUTUAL FUNDS/UTI	0	0	0	0.0000	0.0000	NA	NA
b.	FINANCIAL INSTITUTIONS/ BANKS	3	67570	21200	2.1814	2.1814	NA	NA
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0.0000	NA	NA
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0.0000	NA	NA
e.	INSURANCE COMPANIES	0	0	0	0.0000	0.0000	NA	NA
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0.0000	NA	NA
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0.0000	NA	NA
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	NA	NA
i.	ANY OTHER							
	<b>SUB - TOTAL (B)(1)</b>	<b>3</b>	<b>67570</b>	<b>21200</b>	<b>2.1814</b>	<b>2.1814</b>	<b>NA</b>	<b>NA</b>
2.	NON-INSTITUTIONS							
a.	BODIES CORPORATE	36	38950	20600	1.2574	1.2574	NA	NA
b.	INDIVIDUALS -							
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	3862	1665933	674619	53.7845	53.7845	NA	NA
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	10	816950	796950	26.3751	26.3751	NA	NA
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0.0000	NA	NA
d.	ANY OTHER							
	HINDU UNDIVIDED FAMILIES	18	10263	10263	0.3313	0.3313	NA	NA
	NON RESIDENT INDIANS	8	6350	6350	0.2050	0.2050	NA	NA
		<b>26</b>	<b>16613</b>	<b>16613</b>	<b>0.5363</b>	<b>0.5363</b>	<b>NA</b>	<b>NA</b>
	<b>SUB - TOTAL (B)(2)</b>	<b>3934</b>	<b>2538446</b>	<b>1508782</b>	<b>81.9535</b>	<b>81.9535</b>	<b>NA</b>	<b>NA</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>3937</b>	<b>2606016</b>	<b>1529982</b>	<b>84.1350</b>	<b>84.1350</b>	<b>NA</b>	<b>NA</b>

Main shareholding

	<b>TOTAL (A)+(B)</b>	<b>3947</b>	<b>3097421</b>	<b>2008577</b>	<b>100.0000</b>	<b>100.0000</b>	<b>NA</b>	<b>0.0000</b>
<b>C.</b>	<b>SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED</b>							
	Promoter and Promoter Group	0	0	0	0.0000	0.0000	NA	NA
	Public	0	0	0	0.0000	0.0000	NA	NA
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>NA</b>	<b>NA</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>3947</b>	<b>3097421</b>	<b>2008577</b>		<b>100.0000</b>	<b>0</b>	<b>0.0000</b>

## Promoters

<b>ENCORE BUSINESS SYSTEM LIMITED</b>											
<b>(I)(b) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Promoter and Promoter Group" - 30-Sep-2014</b>											
Sr.No	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A)+(B)+(C)	No. of Shares held	As a percentage	As a % of grand total (A)+(B)+(C) of sub-clause	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI)= (V)/ (III)*100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1	RANGARAJAN R	1600	0.0516	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0516
2	RAJALAKSHMI RANGARAJAN	5710	0.1843	0	0.0000	0.0000	0	0.0000	0	0.0000	0.1843
3	RAJALAKSHMI RANGARAJAN	1000	0.0322	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0322
4	MADHUSUDHAN RANGARAJAN	700	0.0225	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0225
5	RAJALAKSHMI R	200	0.0064	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0064
6	VAISHNAVIE R RAJAN	1600	0.0516	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0516
7	VAISHNAVI R	2000	0.0645	0	0.0000	0.0000	0	0.0000	0	0.0000	0.0645
8	SUNDARARAJAN VENUGOPAL	42905	1.3851	0	0.0000	0.0000	0	0.0000	0	0.0000	1.3851
9	RAJALAKSHMI RANGARAJAN	128400	4.1453	0	0.0000	0.0000	0	0.0000	0	0.0000	4.1453
10	RANGARAJAN.R .	307290	9.9208	0	0.0000	0.0000	0	0.0000	0	0.0000	9.9208
	<b>TOTAL</b>	<b>491405</b>	<b>15.8649</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>15.8649</b>

<b>ENCORE BUSINESS SYSTEM LIMITED</b>								
<b>(l)(c)(i) Statement showing holding of securities (including shares, warrants, convertible securities) of persons belonging to the category "Public" and holding more than 1% of the total number of shares - 30-Sep-2014</b>								
Sr.No	Name of the shareholder	No. of Shares held	Shares as a percentage of total number of shares {i.e., Grand Total (A)+(B)+(C) indicated in Statement at para(l)(a) above}	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	ELECTRONICS CORPORATION OF TAMIL	46370	1.4970	0	0.0000	0	0.0000	1.4970
2	VIJAYA RAO	150000	4.8427	0	0.0000	0	0.0000	4.8427
3	V GEETHA KARANTH	150000	4.8427	0	0.0000	0	0.0000	4.8427
4	VARADARAJULU V	119135	3.8462	0	0.0000	0	0.0000	3.8462
5	ANUSHA	132515	4.2782	0	0.0000	0	0.0000	4.2782
6	KIZHANATHAM SRINIVASAN RAJAGOPALAN	140000	4.5198	0	0.0000	0	0.0000	4.5198
7	SRIRAM VANGAL .	54400	1.7562	0	0.0000	0	0.0000	1.7562
	<b>TOTAL</b>	<b>792420</b>	<b>25.5832</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0.0000</b>	<b>25.5832</b>

ENCORE BUSINESS SYSTEM LIMITED  
NO.4,KHALEELI CENTRE,II FLOOR,MONTIETH ROAD,EGMORE,CHENNAI-600 008

**BALANCE SHEET AS AT 31ST MARCH 2010**

PARTICULARS	SCH NO	AS AT 31.03.2010		AS AT 31.03.2009	
		Rs.	P.	Rs.	P.
<b><u>I. SOURCES OF FUNDS</u></b>					
<b>1) Shareholder's funds</b>					
(a) Share Capital	1	30,974,210.00		30,974,210.00	
(b) Reserves & Surplus	2	1,393,350.00		1,393,350.00	
2) Deferred Tax Liability		697,590.00		516,792.00	
Total		33,065,150.00		32,884,352.00	
<b><u>II. APPLICATION OF FUNDS</u></b>					
<b>1) Fixed Assets</b>					
(a) Gross Block	3	14,534,809.97		20,384,985.65	
(b) Less Depreciation		8,316,349.30		13,142,563.26	
(c) Net Block		6,218,460.67		7,242,422.39	
<b>2) Investments</b>					
	4	4,634,312.00		4,634,312.00	
<b>3) Current Assets, Loans &amp; Advances</b>					
(a) Cash & Bank Balances	5	350,545.80		239,365.80	
(b) Other current Assets	6	160,590.00		160,590.00	
(c) Loans and Advances	7	7,277,425.00		7,178,200.00	
TOTAL(A)		7,788,560.80		7,578,155.80	
Less: Current Liabilities & Provisions					
(a) Current Liabilities	8	1,522,927.11		1,318,764.34	
(b) Provisions	9	968,500.00		800,000.00	
TOTAL(B)		2,491,427.11		2,118,764.34	
Net Current Assets (A-B)		5,297,133.69		5,459,391.46	
<b>4) Profit &amp; Loss Account</b>					
		16,915,243.64		15,548,226.15	
Total		33,065,150.00		32,884,352.00	
Notes on Accounts	11				

The Schedules referred to above form an integral part of this Balance Sheet

This is the Balance Sheet referred to in our report of even date.

PLACE: CHENNAI

DATE :

(On behalf of the Board)

As per our Report Annexed,  
For K.S. JAGANNATHAN & CO.,  
Chartered Accountants

R. RANGARAJAN  
Chairman

SUNDARARAJAN RAVISHANKAR  
Director

J. NARASIMHAN - PARTNER  
MEMBERSHIP NO.201292

**ENCORE BUSINESS SYSTEM LIMITED**  
**NO.4,KHALEELI CENTRE,II FLOOR,MONTIETH ROAD,EGMORE,CHENNAI-600 008**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

PARTICULARS	SCH NO	Y.E. 31.03.2010		Y.E. 31.03.2009	
		Rs.	P.	Rs.	P.
<b><u>INCOME</u></b>					
Software sales and Services		524,000.00		2,875,293.34	
Total		524,000.00		2,875,293.34	
<b><u>EXPENDITURE</u></b>					
Administrative Expenses	10	517,757.77		262,340.05	
Depreciation		1,023,961.72		2,481,335.63	
Total		1,541,719.49		2,743,675.68	
Profit/(Loss) before tax		(1,017,719.49)		131,617.66	
<b><u>Less: Provisions</u></b>					
Provision for Deferred tax		180,798.00		(76,177.00)	
Provision for dimunition in value of investments		168,500.00		-	
Profit/(Loss) after tax & Provisions		(1,367,017.49)		207,794.66	
Add:Balance Brought forward from previous year		15,548,226.15		15,756,020.81	
		16,915,243.64		15,548,226.15	
Balance carried to balance sheet		16,915,243.64		15,548,226.15	
Earnings per share (Nominal value Rs. 10/-)			(0.44)		(0.07)
Notes on Accounts	11				

The Schedules referred to above form an integral part of this Profit and Loss Account

PLACE: CHENNAI

DATE :

(On behalf of the Board)

This is the Profit & Loss Account referred  
in our report of even date.

As per our Report Annexed,  
For K.S. JAGANNATHAN & CO.,  
Chartered Accountants

R. RANGARAJAN  
Chairman

SUNDARARAJAN RAVISHANKAR  
Director

J. NARASIMHAN - PARTNER  
MEMBERSHIP NO.201292



**ENCORE BUSINESS SYSTEM LIMITED**  
**NO.4,KHALEELI CENTRE,II FLOOR,MONTIETH ROAD,EGMORE,CHENNAI-600 008**

**SCHEDULE - 3    FIXED ASSETS**

NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	AS ON 31.03.2009	ADDITIONS/ (DELETIONS) FOR THE YEAR	VALUE AS ON 31.03.2010	UPTO 31.03.2009	FOR THE YEAR	TOTAL UPTO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
Office Equipment	215,311.00		215,311.00	151,204.08	10,968.52	162,172.60	53,138.40	64,106.92
Vehicles	60,158.16		60,158.16	60,158.16	-	60,158.16	-	-
Computers	10,432,875.00	-	10,432,875.00	6,702,816.51	783,633.00	7,486,449.51	2,946,425.49	3,730,058.49
Furniture & Fixtures	3,665,104.81	-	3,665,104.81	218,294.38	227,913.65	446,208.03	3,218,896.78	3,446,810.43
Electrical Fittings	161,361.00		161,361.00	159,914.45	1,446.55	161,361.00	-	1,446.55
	<b>14,534,809.97</b>	<b>-</b>	<b>14,534,809.97</b>	<b>7,292,387.58</b>	<b>1,023,961.72</b>	<b>8,316,349.30</b>	<b>6,218,460.67</b>	<b>7,242,422.39</b>
Previous year	15,095,493.65	5,289,492.00	20,384,985.65	10,661,227.63	2,481,335.63	13,142,563.26	7,242,422.39	4,434,265.02

**ENCORE BUSINESS SYSTEM LIMITED**  
**NO.4,KHALEELI CENTRE,II FLOOR,MONTIETH ROAD,EGMORE,CHENNAI-600 008**

**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2010**

PARTICULARS	AS AT 31.03.2010 Rs.P.	AS AT 31.03.2009 Rs.P.
<b><u>SCHEDULE-1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>Authorised Capital</u></b>		
1,00,00,000 Equity Share f Rs.10/-each	100,000,000.00	100,000,000.00
<b><u>Issued,Subscribed and Paid-up Capital</u></b>		
30,97,421 Equity Shares of Rs.10/-each fully paid up	30,974,210.00	30,974,210.00
	30,974,210.00	30,974,210.00
<b><u>SCHEDULE-2</u></b>		
<b><u>RESERVES AND SURPLUS</u></b>		
Capital Reserve	1,272,350.00	1,272,350.00
General Reserve	121,000.00	121,000.00
	1,393,350.00	1,393,350.00
<b><u>SCHEDULE-4</u></b>		
<b><u>INVESTMENTS</u></b>		
<b><u>IN QUOTED EQUITY SHARES-AT COST-LONG TERM-NON TRADE</u></b>		
NIL [Prev. Year - 10000] Equity Shares of Rs.10/-each, fully paid-up in SDS Industries Limited (Formerly known as Superstar Distilaries Limited (Note 1)	168,500.00	168,500.00
	168,500.00	168,500.00
<b><u>IN UNQUOTED EQUITY SHARES-AT COST-LONG TERM-NON TRADE</u></b>		
258300 Equity Shares of Rs.10/- each fully paid in QED Software Limited	4,465,812.00	4,465,812.00
	4,465,812.00	4,465,812.00
Total	4,634,312.00	4,634,312.00
Aggregate cost of investments in quoted shares	168,500.00	168,500.00
Aggregate cost of investments in unquoted shares	4,465,812.00	4,465,812.00
Aggregate market valuet of investments in quoted shares-(Note 1)	-	-
Notes:		
1.Shares lost & not in the possession of the company-shares are Not quoted in any stock exchange hence market value has not been given		

<b><u>SCHEDULE-5</u></b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	345,009.00	110,009.00
Balance with Schedule Banks in current A/c.	5,536.80	129,356.80
	<u>350,545.80</u>	<u>239,365.80</u>
<b><u>SCHEDULE-6</u></b>		
<b>OTHER ADVANCES(UNSECURED CONSIDERED GOOD)</b>		
Deposits	160,590.00	160,590.00
	<u>160,590.00</u>	<u>160,590.00</u>
<b><u>SCHEDULE-7</u></b>		
<b>LOANS &amp; ADVANCES(UNSECURED CONSIDERED GOOD)</b>		
Advances Recoverable in cash or kind	5,047,112.00	4,947,887.00
Advances for Property Purchase	2,230,313.00	2,230,313.00
	<u>7,277,425.00</u>	<u>7,178,200.00</u>
<b><u>SCHEDULE-8</u></b>		
<b>CURRENT LIABILITIES</b>		
a) Sundry Creditors		
Due to Micro,Small & Medium enterprises	-	-
Due to other than Micro, Small and Medium Enterprises	-	-
b) Due to directors	644,614.08	570,793.08
c) Other Current Liabilities	878,313.03	747,971.26
	<u>1,522,927.11</u>	<u>1,318,764.34</u>
<b><u>SCHEDULE-9</u></b>		
<b>PROVISIONS</b>		
Provision for taxation	800,000.00	800,000.00
Provision for dimunition in value of investments	168,500.00	-
	<u>968,500.00</u>	<u>800,000.00</u>
<b><u>SCHEDULE-10</u></b>		
<b>ADMINSTRATIVE CHARGES</b>		
Rent	84,000.00	84,000.00
Electricity charges	16,000.00	16,000.00
Travelling & Conveyance	34,478.00	780.00
Postage,Telephone & Telgram	65,024.02	21,899.50
Repairs & Maintenance	21,243.00	-
Printing & Stationery	24,161.75	24,717.50
Bank charges	1,925.00	3,063.05
Advertisement	1,463.00	2,494.00
Office Expenses	16,119.00	9,072.00
Audit Fee	27,575.00	27,575.00
Share transfer charges	33,090.00	33,708.00
Listing Fee	17,850.00	17,850.00
Professional Charges	164,000.00	11,000.00
Custodial Charges	6,618.00	4,495.00
Other Expenses	4,211.00	5,686.00
	<u>517,757.77</u>	<u>262,340.05</u>

**SCHEDULE - 11 :SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE Y.E.31.3.2010**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**GENERAL**

- 1) The financial statements have been prepared, in all material respects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Indian Companies Act, 1956 including the Companies (Accounting Standard) Rules, 2006.

The preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Differences, if any, between the actual results and estimates is recognised in the period in which the results are known.

**REVENUE RECOGNITION**

- 2) Revenue from software services include revenue earned from rendering training services, such revenue is recognised over the period of training. Revenue from sale of software is recognised as soon as the ownership in the software is transferred and the entire risk is passed on the buyer.

**FIXED ASSETS**

- 3) Fixed Assets held are carried at historical cost less accumulated depreciation.  
Intangible assets - Capitalised software is amortised over 3 years on straight-line basis.

**DEPRECIATION**

- 4) Depreciation on assets is provided on straight line method as prescribed in Schedule XIV to the Companies Act 1956 on Pro-rata basis at the old rates on assets acquired prior to 16-12-93 and revised rates as per Circular No. GSR 756 (E) on assets acquired on or after 16.12.93.

**INVESTMENTS**

- 5) Investment held as long-term investment i.e. intended to be held for more than one year is carried at cost.  
Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.  
Current investments are carried at lower of cost and quoted/fair value computed category wise.

**TAXES ON INCOME**

- 6) Income tax expenses is accrued in accordance with AS-22, 'Accounting for taxes on Income' which includes current taxes and deferred taxes. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient, future taxable income will be available.

**IMPAIRMENT OF ASSETS:**

- 7) The company assesses at each balance sheet date whether there is any Indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists the recoverable amount is assessed and the asset is reflected at the recoverable amount subject to a maximum of Depreciated Historical cost.

**INTANGIBLE ASSETS:**

- 8) Intangible assets comprising of self-generated ERP software is stated at cost of development in house, less amortisation. Any expenses on such software for support and maintenance payable annually are charged to revenue account.

**EMPLOYEE BENEFITS:**

- 9) (a) Short term employee benefits:  
All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc., and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.  
(b) Post-employment benefits:  
Defined contribution plans: The company does not have any such employee benefits  
Defined benefit plans: There are no such benefit plans to its employees.  
(c) Long term employee benefits: The company presently does not have any any long term employee benefits.

**PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

- 10) The Company creates a Provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

**B. NOTES ON ACCOUNTS**1) Quantitative Details

	<u>2009-2010</u>	<u>2008-2009</u>
	<b>Qty. * / Value-Rs.</b>	<b>Qty. * / Value-Rs.</b>
Income from sale of software & services	524,000.00	2,875,293.34

The Company is mainly engaged in training & software sales. The development and Sale of Computer software & training in software skills is not capable of being expressed in any Generic Units. Hence it is not possible to furnish the Quantitative Details and information required under Paragraphs 3, 4c and 4d of Part II of Schedule VI to the Companies Act, 1956.

2) Remuneration to Auditors:

	<u>2009-2010</u>	<u>2008-2009</u>
For Statutory Audit	22,060	22,060
For Taxation	5,515	5,515
<b>Total</b>	<b>27,575</b>	<b>27,575</b>

3) Balances in Sundry Debtors, loans and advances Other Current Liabilities and sundry creditors are as per books and are subject to confirmation.

4) Segment Reporting

The company is principally engaged in a single business segment viz., sale of software and operates in one geographical segment. Accordingly there are no separate reportable segments as per Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

5) Related Parties Disclosuresa) List of parties where control exists

NIL	NIL
-----	-----

b) Associates/Fellow subsidiaries

NIL	NIL
-----	-----

c) Key Management Personnel

Mr R. Rangarajan - Chairman

c) List of transactions with related parties

Key Management Personnel - Balance outstanding as at 31.3.2009	644,614.08	570,793.08
--	------------	------------

The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the company

6) Earnings Per Share

	<u>Y.E: 31.03.2010</u>	<u>Y.E: 31.03.2009</u>
Profit after tax	(1,367,017.49)	207,794.66
Reversal/(Provision) for income tax relating to earlier years	0	0.00
	<u>(1,367,017.49)</u>	<u>207,794.66</u>
Weighted average number of equity shares outstanding	3,097,421	3,097,421
Earnings per share (In rupees) (Nominal value Rs.10/- per share)	(0.44)	(0.07)

7) Break - Up for deferred tax liability:

Particulars	Opening Balance as on 01.04.2009	Deferred tax liability withdrawn during the year	Closing Balance as on 31.03.2010
On account of	DTL		DTL
<u>Timing Difference</u>			
Depreciation	516,792	180,798	697,590
	<u>516,792</u>	<u>180,798</u>	<u>697,590</u>

8) The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro, small & medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly based on the information available with the management, there are no amounts payable to such enterprises. Accordingly, there is no interest payable to any micro, small or medium enterprise as at 31.3.2010 and the company has not paid any interest during the year to any such entity.

9) Previous year figures have been rounded off to the nearest rupee and regrouped wherever necessary to conform to the grouping / classification of the current year.

PLACE: CHENNAI

DATE :

(On behalf of the Board)

As per Our Report Annexed,  
For K.S.JAGANNATHAN & CO.,  
Chartered Accountants

R. RANGARAJAN  
Chairman

Sundararajan Ravishankar  
Director

J. Narasimhan - Partner  
Membership No: 201292

**ENCORE BUSINESS SYSTEM LIMITED**  
**NO.4, KHALEELI CENTRE, II FLOOR, MONTIETH ROAD, EGMORE, CHENNAI - 600008**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010**  
**PREPARED PURSUANT TO LISTING AGREEMENT**

PARTICULARS	(Rs. in '000)	
	Y.E. 31.3.2010 Rs. P.	Y.E 31.03.2009. Rs. P.
<b><u>A. CASH FLOW OPERATING ACTIVITIES</u></b>		
Profit before Tax	- 1,017.72	131.62
<u>Add:</u> Depreciation	1,023.96	2,481.33
	6.24	2,612.95
<u>Less:</u> Income tax related to earlier years	-	-
Tax paid during the year	-	-
	6.24	2,612.95
Increase / Decrease in other current assets	-	-
Increase / Decrease in Loans & Advnce	- 99.23	1,530.16
Increase / Decrease in Debtors	-	1,236.78
Increase / Decrease in Creditors	204.16	104.34
	111.17	2,801.99
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Increase / Decrease in Fixed Assets	-	(5,289.49)
Increase / Decrease in Investments	-	-
Increase / Decrease in Capital WIP	-	-
Increase / Decrease in Advance for purchase of Assets	-	-
	-	5,289.49
<b><u>C. CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>	<b>NIL</b>	<b>NIL</b>
Net Increase in Cash equivalent in cash (A+B+C)	111.17	194.74
Cash & Cash equivalent at the beginning of the year	239.37	44.63
Cash & Cash equivalent at the end of the year	350.54	239.37

Auditor's certificate

We have examined the Cash Flow statement of M/S. Encore Business System Limited for the year ended 31st March 2010. The statement has been prepared by the company in accordance with the requirements of listing and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report dated 2010 to the members of the company.

(for and on behalf of the Board)

This is the Cash Flow Statement referred to in our report of even date

**For K.S. JAGANNATHAN & CO.,**  
**CHARTERED ACCOUNTANTS**

DATE :  
PLACE: CHENNAI

R. RANGARAJAN      SUNDARARAJAN RAVISHANKAR  
Chairman              DIRECTOR

J. NARASIMHAN - PARTNER  
**MEMBERSHIP NO.201292**

ENCORE BUSINESS SYSTEM LIMITED  
NO.4,KHALEELI CENTRE,II FLOOR,MONTIETH ROAD,EGMORE,CHENNAI-600 008

**BALANCE SHEET AS AT 31ST MARCH 2011**

PARTICULARS	SCH NO	AS AT 31.03.2011		AS AT 31.03.2010	
		Rs.	P.	Rs.	P.
<b><u>I. SOURCES OF FUNDS</u></b>					
<b>1) Shareholder's funds</b>					
(a) Share Capital	1	30,974,210.00		30,974,210.00	
(b) Reserves & Surplus	2	1,393,350.00		1,393,350.00	
2) Deferred Tax Liability		652,185.00		697,590.00	
Total		33,019,745.00		33,065,150.00	
<b><u>II. APPLICATION OF FUNDS</u></b>					
<b>1) Fixed Assets</b>					
(a) Gross Block	3	14,534,809.97		14,534,809.97	
(b) Less Depreciation		9,338,864.47		8,316,349.30	
(c) Net Block		5,195,945.50		6,218,460.67	
<b>2) Investments</b>					
	4	4,634,312.00		4,634,312.00	
<b>3) Current Assets, Loans &amp; Advances</b>					
(a) Cash & Bank Balances	5	293,874.95		350,545.80	
(b) Other current Assets	6	160,590.00		160,590.00	
(c) Loans and Advances	7	6,559,672.00		7,277,425.00	
TOTAL(A)		7,014,136.95		7,788,560.80	
Less: Current Liabilities & Provisions					
(a) Current Liabilities	8	738,147.76		1,522,927.11	
(b) Provisions	9	968,500.00		968,500.00	
TOTAL(B)		1,706,647.76		2,491,427.11	
Net Current Assets (A-B)		5,307,489.19		5,297,133.69	
<b>4) Profit &amp; Loss Account</b>					
		17,881,998.31		16,915,243.64	
Total		33,019,745.00		33,065,150.00	
Notes on Accounts	11	-		-	

The Schedules referred to above form an integral part of this Balance Sheet

This is the Balance Sheet referred to in our report of even date.

PLACE: CHENNAI  
DATE : 02.09.2011

(On behalf of the Board)

As per our Report Annexed,  
For Parimelazhagan & Co  
Chartered Accountants

R. RANGARAJAN  
Director

SUNDARARAJAN VENUGOPAL  
Director

S.Parimelazhagan - Partner  
MEMBERSHIP NO.200970

**ENCORE BUSINESS SYSTEM LIMITED**  
**NO.4,KHALEELI CENTRE,II FLOOR,MONTIETH ROAD,EGMORE,CHENNAI-600 008**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011**

PARTICULARS	SCH NO	Y.E. 31.03.2011		Y.E. 31.03.2010	
		Rs.	P.	Rs.	P.
<b><u>INCOME</u></b>					
Software sales and Services			250,000.00		524,000.00
Total			250,000.00		524,000.00
<b><u>EXPENDITURE</u></b>					
Administrative Expenses	10		239,644.50		517,757.77
Depreciation			1,022,515.17		1,023,961.72
Total			1,262,159.67		1,541,719.49
Profit/(Loss) before tax			(1,012,159.67)		(1,017,719.49)
<b><u>Less: Provisions</u></b>					
Provision for Deferred tax			(45,405.00)		180,798.00
Provision for dimunition in value of investments			-		168,500.00
Profit/(Loss) after tax & Provisions			(966,754.67)		(1,367,017.49)
Add:Balance Brought forward from previous year			16,915,243.64		15,548,226.15
			17,881,998.31		16,915,243.64
Balance carried to balance sheet			17,881,998.31		16,915,243.64
Earnings per share (Nominal value Rs. 10/-)			(0.31)		(0.44)
Notes on Accounts	11				

The Schedules referred to above form an integral part of this Profit and Loss Account

This is the Profit & Loss Account referred  
in our report of even date.  
As per our Report Annexed,  
For Parimelazhagan & Co  
Chartered Accountants

PLACE: CHENNAI  
DATE : 02.09.2011  
(On behalf of the Board)

R. RANGARAJAN  
Director

SUNDARARAJAN VENUGOPAL  
Director

S.Parimelazhagan - Partner  
MEMBERSHIP NO.200970



**ENCORE BUSINESS SYSTEM LIMITED**  
**NO.4,KHALEELI CENTRE,II FLOOR,MONTIETH ROAD,EGMORE,CHENNAI-600 008**

**SCHEDULES FORMING PART OF ACCOUNTS AS AT 31ST MARCH 2011**

PARTICULARS	AS AT 31.03.2011 Rs.P.	AS AT 31.03.2010 Rs.P.
<b><u>SCHEDULE-1</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>Authorised Capital</u></b>		
1,00,00,000 Equity Share f Rs.10/-each	100,000,000.00	100,000,000.00
<b><u>Issued,Subscribed and Paid-up Capital</u></b>		
30,97,421 Equity Shares of Rs.10/-each fully paid up	30,974,210.00	30,974,210.00
	30,974,210.00	30,974,210.00
<b><u>SCHEDULE-2</u></b>		
<b><u>RESERVES AND SURPLUS</u></b>		
Capital Reserve	1,272,350.00	1,272,350.00
General Reserve	121,000.00	121,000.00
	1,393,350.00	1,393,350.00
PARTICULARS	AS AT 31.03.2011 Rs.P.	AS AT 31.03.2010 Rs.P.
<b><u>SCHEDULE-4</u></b>		
<b><u>INVESTMENTS</u></b>		
<b><u>IN QUOTED EQUITY SHARES-AT COST-LONG TERM-NON TRADE</u></b>		
NIL [Prev. Year - 10000] Equity Shares of Rs.10/-each, fully paid-up in SDS Industries Limited (Formerly known as Superstar Distilaries Limited (Note 1)	168,500.00	168,500.00
	168,500.00	168,500.00
<b><u>IN UNQUOTED EQUITY SHARES-AT COST-LONG TERM-NON TRADE</u></b>		
258300 Equity Shares of Rs.10/- each fully paid in QED Software Limited	4,465,812.00	4,465,812.00
	4,465,812.00	4,465,812.00
Total	4,634,312.00	4,634,312.00
Aggregate cost of investments in quoted shares	168,500.00	168,500.00
Aggregate cost of investments in unquoted shares	4,465,812.00	4,465,812.00
Aggregate market valuet of investments in quoted shares-(Note 1)	-	-
Notes:		
1.Shares lost & not in the possession of the company-shares are Not quoted in any stock exchange hence market value has not been given		
PARTICULARS	AS AT 31.03.2011 Rs.P.	AS AT 31.03.2010 Rs.P.
<b><u>SCHEDULE-5</u></b>		
<b><u>CASH AND BANK BALANCES</u></b>		
Cash on Hand	287,443.15	345,009.00
Balance with Schedule Banks in current A/c.	6,431.80	5,536.80
	293,874.95	350,545.80
<b><u>SCHEDULE-6</u></b>		
<b><u>OTHER ADVANCES(UNSECURED CONSIDERED GOOD)</u></b>		

Deposits	160,590.00	160,590.00
	160,590.00	160,590.00
<b><u>SCHEDULE-7</u></b>		
<b>LOANS &amp; ADVANCES(UNSECURED CONSIDERED GOOD)</b>		
Advances Recoverable in cash or kind	5,047,112.00	5,047,112.00
Advances for Property Purchase	1,512,560.00	2,230,313.00
	6,559,672.00	7,277,425.00
<b><u>SCHEDULE-8</u></b>		
<b>CURRENT LIABILITIES</b>		
a) Sundry Creditors		
Due to Micro,Small & Medium enterprises	-	-
Due to other than Micro, Small and Medium Enterprises	-	-
b) Due to directors	8,623.08	644,614.08
c) Other Current Liabilities	729,524.68	878,313.03
	738,147.76	1,522,927.11
<b><u>SCHEDULE-9</u></b>		
<b>PROVISIONS</b>		
Provision for taxation	800,000.00	800,000.00
Provision for dimunition in value of investments	168,500.00	168,500.00
	968,500.00	968,500.00
<b><u>SCHEDULE-10</u></b>		
<b>ADMINSTRATIVE CHARGES</b>		
Rent	-	84,000.00
Electricity charges	-	16,000.00
Travelling & Conveyance	35,278.00	34,478.00
Postage,Telephone & Telgram	32,517.50	65,024.02
Repairs & Maintenance	-	21,243.00
Printing & Stationery	6,272.00	24,161.75
Bank charges	885.00	1,925.00
Advertisement	2,700.00	1,463.00
Office Expenses	1,407.00	16,119.00
Audit Fee	27,575.00	27,575.00
Share transfer charges	33,090.00	33,090.00
Listing Fee	17,850.00	17,850.00
Professional Charges	64,000.00	164,000.00
Custodial Charges	6,618.00	6,618.00
Other Expenses	11,452.00	4,211.00
	239,644.50	517,757.77

**ENCORE BUSINESS SYSTEM LIMITED**  
**NO.4,KHALEELI CENTRE,II FLOOR,MONTIETH ROAD,EGMORE,CHENNAI-600 008**

**SCHEDULE - 3    FIXED ASSETS**

NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	AS ON 01.04.2010	ADDITIONS/ (DELETIONS) FOR THE YEAR	VALUE AS ON 31.03.2011	UPTO 01.04.2010	FOR THE YEAR	TOTAL UPTO 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
Office Equipment	215,311.00		215,311.00	162,172.60	10,968.52	173,141.12	42,169.88	53,138.40
Vehicles	60,158.16		60,158.16	60,158.16	-	60,158.16	-	-
Computers	10,432,875.00	-	10,432,875.00	7,486,449.51	783,633.00	8,270,082.51	2,162,792.49	2,946,425.49
Furniture & Fixtures	3,665,104.81	-	3,665,104.81	446,208.03	227,913.65	674,121.68	2,990,983.13	3,218,896.78
Electrical Fittings	161,361.00		161,361.00	161,361.00	-	161,361.00	-	-
<b>Total</b>	<b>14,534,809.97</b>	<b>-</b>	<b>14,534,809.97</b>	<b>8,316,349.30</b>	<b>1,022,515.17</b>	<b>9,338,864.47</b>	<b>5,195,945.50</b>	<b>6,218,460.67</b>
Previous year	<b>14,534,809.97</b>		<b>14,534,809.97</b>	7,292,387.58	1,023,961.72	8,316,349.30	6,218,460.67	4,434,265.02

**SCHEDULE - 11 :SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE Y.E.31.3.2011**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**GENERAL**

- 1) The financial statements have been prepared, in all material respects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Indian Companies Act, 1956 including the Companies (Accounting Standard) Rules, 2006.

The preparation of financial statements in conformity with GAAP requires that the management of the company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Differences, if any, between the actual results and estimates is recognised in the period in which the results are known.

**REVENUE RECOGNITION**

- 2) Revenue from software services include revenue earned from rendering training services, such revenue is recognised over the period of training. Revenue from sale of software is recognised as soon as the ownership in the software is transferred and the entire risk is passed on the buyer.

**FIXED ASSETS**

- 3) Fixed Assets held are carried at historical cost less accumulated depreciation.  
Intangible assets - Capitalised software is amortised over 3 years on straight-line basis.

**DEPRECIATION**

- 4) Depreciation on assets is provided on straight line method as prescribed in Schedule XIV to the Companies Act 1956 on Pro-rata basis at the old rates on assets acquired prior to 16-12-93 and revised rates as per Circular No. GSR 756 (E) on assets acquired on or after 16.12.93.

**INVESTMENTS**

- 5) Investment held as long-term investment i.e. intended to be held for more than one year is carried at cost.  
Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.  
Current investments are carried at lower of cost and quoted/fair value computed category wise.

**TAXES ON INCOME**

- 6) Income tax expenses is accrued in accordance with AS-22, 'Accounting for taxes on Income' which includes current taxes and deferred taxes. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient, future taxable income will be available.

**IMPAIRMENT OF ASSETS:**

- 7) The company assesses at each balance sheet date whether there is any Indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists the recoverable amount is assessed and the asset is reflected at the recoverable amount subject to a maximum of Depreciated Historical cost.

**INTANGIBLE ASSETS:**

- 8) Intangible assets comprising of self-generated ERP software is stated at cost of development in house, less amortisation. Any expenses on such software for support and maintenance payable annually are charged to revenue account.

**EMPLOYEE BENEFITS:**

- 9) (a) Short term employee benefits:  
All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages, short term compensated absences, etc., and the expected cost of bonus, ex-gratia are recognised in the period in which the employee renders the related service.  
(b) Post-employment benefits:  
Defined contribution plans: The company does not have any such employee benefits  
Defined benefit plans: There are no such benefit plans to its employees.  
(c) Long term employee benefits: The company presently does not have any long term employee benefits.

**PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

- 10) The Company creates a Provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resource is remote, no provision or disclosure is made.

**B. NOTES ON ACCOUNTS**1) Quantitative Details

	<u>2010-11</u>	<u>2009-2010</u>
	<b>Qty. * / Value-Rs.</b>	<b>Qty. * / Value-Rs.</b>
Income from sale of software & services	250,000.00	524,000.00

The Company is mainly engaged in training & software sales. The development and Sale of Computer software & training in software skills is not capable of being expressed in any Generic Units. Hence it is not possible to furnish the Quantitative Details and information required under Paragraphs 3, 4c and 4d of Part II of Schedule VI to the Companies Act, 1956.

2) Remuneration to Auditors:

	<u>2010-11</u>	<u>2009-2010</u>
For Statutory Audit	22,060	22,060
For Taxation	5,515	5,515
<b>Total</b>	<b>27,575</b>	<b>27,575</b>

3) Balances in Sundry Debtors, loans and advances Other Current Liabilities and sundry creditors are as per books and are subject to confirmation.

4) Segment Reporting

The company is principally engaged in a single business segment viz., sale of software and operates in one geographical segment. Accordingly there are no separate reportable segments as per Accounting Standard 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India.

5) Related Parties Disclosuresa) List of parties where control exists

NIL	NIL
-----	-----

b) Associates/Fellow subsidiaries

NIL	NIL
-----	-----

c) Key Management Personnel

Mr R. Rangarajan - Chairman

c) List of transactions with related parties

Key Management Personnel - Balance outstanding as at 31.3.2011	8,623.08	570,793.08
--	----------	------------

The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the company

6) Earnings Per Share

	<u>Y.E: 31.03.2011</u>	<u>Y.E: 31.03.2010</u>
--	------------------------	------------------------

Profit after tax	(966,754.67)	(1,367,017.49)
Reversal/(Provision) for income tax relating to earlier years	0	0.00
	<u>(966,754.67)</u>	<u>(1,367,017.49)</u>
Weighted average number of equity shares outstanding	3,097,421	3,097,421
Earnings per share (In rupees) (Nominal value Rs.10/- per share)	(0.31)	(0.44)

7) Break - Up for deferred tax liability:

Particulars	Opening Balance as on 01.04.2010	Deferred tax liability withdrawn during the year	Closing Balance as on 31.03.2011
On account of	DTL		DTL
<u>Timing Difference</u>			
Depreciation	697,590	(45,405)	652,185
	<u>697,590</u>	<u>(45,405)</u>	<u>652,185</u>

8) The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro, small & medium enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly based on the information available with the management, there are no amounts payable to such enterprises. Accordingly, there is no interest payable to any micro, small or medium enterprise as at 31.3.2011 and the company has not paid any interest during the year to any such entity.

9) Previous year figures have been rounded off to the nearest rupee and regrouped wherever necessary to conform to the grouping / classification of the current year.

PLACE: CHENNAI

DATE 02.09.2011

(On behalf of the Board)

As per Our Report Annexed,  
For Parimelazhagan & Co  
Chartered Accountants

**R. RANGARAJAN**  
Director

**Sundararajan Venugopal**  
Director

**S.Parimelazhagan - Partner**  
MEMBERSHIP NO.200970

**ENCORE BUSINESS SYSTEM LIMITED**  
**NO.4, KHALEELI CENTRE, II FLOOR, MONTIETH ROAD, EGMORE, CHENNAI - 600008**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**  
**PREPARED PURSUANT TO LISTING AGREEMENT**

PARTICULARS	(Rs. in '000)	
	Y.E. 31.3.2011 Rs. P.	Y.E 31.3.2010 Rs. P.
<b><u>A. CASH FLOW OPERATING ACTIVITIES</u></b>		
Profit before Tax	(1,012.16)	(1,017.72)
<u>Add:</u> Depreciation	1,022.52	1,023.96
	10.36	6.24
<u>Less:</u> Income tax related to earlier years	-	-
Tax paid during the year	-	-
	10.36	6.24
Increase / Decrease in other current assets	-	-
Increase / Decrease in Loans & Advnce	717.75	(99.23)
Increase / Decrease in Debtors	-	-
Increase / Decrease in Creditors	(784.78)	204.16
	(56.67)	111.17
<b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
Increase / Decrease in Fixed Assets	-	-
Increase / Decrease in Investments	-	-
Increase / Decrease in Capital WIP	-	-
Increase / Decrease in Advance for purchase of Assets	-	-
	-	-
<b><u>C. CASH FLOW FROM FINANCIAL ACTIVITIES</u></b>	<b>NIL</b>	<b>NIL</b>
Net Increase in Cash equivalent in cash (A+B+C)	(56.67)	111.17
Cash & Cash equivalent at the beginning of the year	350.54	239.37
Cash & Cash equivalent at the end of the year	293.87	350.54

Auditor's Certificate

We have examined the Cash Flow statement of M/S. Encore Business System Limited for the year ended 31st March 2011. The statement has been prepared by the company in accordance with the requirements of listing and is based on and in agreement with the corresponding profit and loss account and balance sheet of the company covered by our report dated 02.09. 2011 to the members of the company.

(for and on behalf of the Board)

This is the Cash Flow Statement referred to in our report of even date

**For Parimelazhagan & Co**  
**CHARTERED ACCOUNTANTS**

DATE : 02.09.2011  
PLACE: CHENNAI

R. RANGARAJAN      SUNDARARAJAN VENUGOPAL  
DIRECTOR              DIRECTOR

S.Parimelazhagan - Partner  
MEMBERSHIP NO.200970

# ENCORE BUSINESS SYSTEM LIMITED

## Balance Sheet as at March 31, 2012

(All amounts are in Indian Rupees, except share data or as stated)

	Notes	As at 31-Mar-2012	As at 31-Mar-2011
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	3	30,974,210.00	30,974,210.00
Reserves and Surplus	4	(15,174,600.77)	(16,488,648.31)
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	-
Deferred Tax Liability	14	491,856.00	652,185.00
Long-term provisions	6	-	168,500.00
<b>Current Liabilities</b>			
Short-term borrowings	7	-	-
Trade payables	8	-	-
Other current liabilities	9	115,152.97	1,538,147.76
Short-term provisions	10	-	-
<b>Total</b>		<b>16,406,618.20</b>	<b>16,844,394.45</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets	11	4,173,430.33	5,195,945.50
Intangible assets	12	-	-
Intangible assets WIP		7,645,482.00	-
Non-current investments	13	4,465,812.00	4,634,312.00
Long-term loans and advances	15	-	6,559,672.00
<b>Current assets</b>			
Current investments	16	-	-
Trade receivables	17	-	-
Cash and bank balances	18	18,893.87	293,874.95
Short-term loans and advances	19	-	-
Other current assets	20	103,000.00	160,590.00
		<b>16,406,618.20</b>	<b>16,844,394.45</b>

Significant accounting policies

2

The notes referred to above form an integral part of the balance sheet.

This is the balance sheet referred to in our report of even date.

for Parimelazhagan & co  
Chartered Accountants  
Firm Registration no.6514S

**for and on behalf of Board**

S.Parimelazhagan  
Partner  
Membership No. 200970

**R.Rajalakshmi**  
Director

**R.Rangarajan**  
Director

Place: Chennai  
Date:02.08.2012

**ENCORE BUSINESS SYSTEM LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2012**  
(All amounts are in Indian Rupees, except share data or as stated)

	Notes	Year ended March 31, 2012	Year ended March 31, 2011
<b>Revenue</b>			
Revenue from operations	21	1,045,000.00	250,000.00
Other income	22	-	-
<b>Total Revenue</b>		<b>1,045,000.00</b>	<b>250,000.00</b>
<b>Expenses</b>			
Employee related benefits	23	-	-
Other expenses	24	121,048.95	238,759.50
Depreciation and amortization expense	25	1,022,515.17	1,022,515.17
Finance costs	26	2,735.00	885.00
<b>Total expenses</b>		<b>1,146,299.12</b>	<b>1,262,159.67</b>
<b>Profit before exceptional Items</b>	27	<b>(101,299.12)</b>	<b>(1,012,159.67)</b>
<b>Add: Exceptional Items</b>		<b>1,255,017.66</b>	<b>-</b>
<b>Profit before tax</b>		<b>1,153,718.54</b>	<b>(1,012,159.67)</b>
<b>Tax expense:</b>			
-Current tax		-	-
-Current tax for earlier years		-	-
-Deferred tax		-160329.00	-45405.00
<b>Total tax expense</b>		<b>(160,329.00)</b>	<b>(45,405.00)</b>
<b>Profit for the period</b>		<b>1,314,047.54</b>	<b>(966,754.67)</b>
Earnings per equity share			
- Basic and diluted		0.42	(0.31)
Weighted average number of equity shares outstanding		3,097,421	3,097,421
Nominal value of equity shares (Rs.)		10	10

Significant accounting policies

2

The notes referred to above form an integral part of the statement of profit and loss.

This is the statement of profit and loss referred to in our report of even date.

for Parimelazhagan & co  
Chartered Accountants  
Firm Registration no.6514S

**for and on behalf of Board of Directors of**

S.Parimelazhagan  
Partner  
Membership No. 200970

**R.Rajalakshmi**  
Director

**R.Rangarajan**  
Director

Place: Chennai  
Date:02.08.2012



## **Significant accounting policies and notes to the financial statements**

### **1 Company Background**

Encore is currently in the business of software development, software testing, training and related services

### **2 Significant Accounting Policies**

#### **a Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the generally accepted accounting principles ('GAAP') in India and comply with the Accounting Standards notified by the Central Government pursuant to Companies (Accounting Standard) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, to the extent applicable.

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1961 has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies, the revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### **Change in accounting policy**

There is no change in accounting policy.

#### **b Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

**c Fixed assets, depreciation and capital work in progress**

**Tangible assets and depreciation**

Fixed assets are stated at cost of acquisition, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of all incidental expenses relating to cost of acquisition and the cost of installation / erection as applicable. Borrowing cost related to acquisition or construction of those fixed asset which necessarily take a substantially period of time to get ready for their intended use are capitalised.

Depreciation on fixed assets is provided on written down value method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimates of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management estimate of useful life/ remaining useful life.

**Intangible assets and amortization**

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortized over their estimated economic useful lives on a straight line basis commencing from the date the asset is available for its use. The management estimates the useful lives for the intangible asset (software) at 10 years.

**d Inventories**

Inventories are valued at the lower of cost and net realizable value.

Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from tax authorities.

**e Leases**

Operating lease payments are recognised as an expense in the statement of profit and loss account on straight line basis over the lease term.

Assets acquired under a finance lease are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower, at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to statement of profit and loss account.

**f Revenue recognition**

Income from Training Services is accounted when the relevant services are rendered and is net of discounts and taxes and Income from Sale of Software is accounted on transfer of ownership

**g Investments**

Long term investments are stated at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

Current investments are stated at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

**h Employee benefit**

*Defined contribution plan*

At present the company has no obligation to provide for contribution towards PF/ ESI and gratuity

**i Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions or rates that approximates the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the statement of profit and loss account of the year.

**j Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

**k Taxation**

Income tax expenses comprise current tax (i.e. amount of income tax for the year determined in accordance with the Income Tax law) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income / expense and taxable income / expense for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty of the assets getting realised in future. However, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to setoff and they relate to taxes on income levied by the same governing taxation laws.

**l Earnings per share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

**m Impairment policy**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**n Cash flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions.

**3 Share Capital**

**a The details of authorised, issued, subscribed and paid up share capital is as under:**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Authorised</b> 10,000,000 (March 31, 2011: 10,000,000 equity shares) of Rs 10 each	100,000,000.00	100,000,000.00
<b>Issued, Subscribed and Paid up</b> 30,97,421 (March 31, 2011: 30,97,421) equity shares of Rs 10 each	<b>30,974,210.00</b>	<b>30,974,210.00</b>

**b The reconciliation of number and amount of shares outstanding is as under:**

Particulars	As at March 31, 2012		As at March 31, 2011	
	(No. of shares)	(Amount)	(No. of shares)	(Amount)
<b>Equity Shares</b>				
Balance at the beginning of the year	3,097,421	30,974,210.00	3,097,421	30,974,210.00
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	<b>3,097,421</b>	<b>30,974,210.00</b>	<b>3,097,421</b>	<b>30,974,210.00</b>

**c Terms / rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended March 31, 2012, the Company has not declared any dividend.

**d Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Equity shares of Rs. 10 each fully paid</b>				
R Rangarajan	308,890	9.97%	308,890.00	9.97%
	<b>308,890</b>		<b>308,890.00</b>	

**e Shares allotted as fully paid up by way of bonus shares and pursuant to contracts without payment being received in cash**

Particulars	As at 31-Mar-12	As at 31-Mar-11
Equity shares allotted as fully paid up bonus shares	Not applicable	-

**4 Reserves and Surplus**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Securities premium account</b>		
Balance at the beginning of the year	1,272,350.00	1,272,350.00
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
<b>Closing balance</b>	<b>1,272,350.00</b>	<b>1,272,350.00</b>
<b>General reserves</b>		
Balance at the beginning of the year	121,000.00	121,000.00
Add: Amount transferred from surplus	-	-
Less: Utilisation during the year	-	-
<b>Closing balance</b>	<b>121,000.00</b>	<b>121,000.00</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	(17,881,998.31)	(16,915,243.64)
Profit for the year	1,314,047.54	(966,754.67)
Less: Appropriations		
<b>Net surplus in the statement of profit and loss</b>	<b>(16,567,950.77)</b>	<b>(17,881,998.31)</b>
<b>Total</b>	<b>(15,174,600.77)</b>	<b>(16,488,648.31)</b>

**5 Long-term borrowings**

Particulars	As at March 31, 2012	As at March 31, 2011
<i>Secured</i>		
Finance lease obligation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
No financial obligation		

**6 Long-term provisions**

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for Investments	-	168,500.00
<b>Total</b>	<b>-</b>	<b>168,500.00</b>

**7 Short-term borrowings**

Particulars	As at March 31, 2012	As at March 31, 2011
<i>Secured</i>		
<b>From banks</b>		
Cash credit	-	-
<b>Total</b>	-	-

**8 Trade payables**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Sundry creditors</b>		
- dues to micro and small enterprises (Refer note 33)	-	-
- dues to creditors other than micro and small enterprises	-	-
<b>Others</b>		
Payable to employees	-	-
<b>Total</b>	-	-

**9 Other current liabilities**

Particulars	As at March 31, 2012	As at March 31, 2011
Current maturities of Long term loan		
Statutory Liabilities		800,000.00
Payables to others	115,152.97	738,147.76
<b>Total</b>	<b>115,152.97</b>	<b>1,538,147.76</b>

**10 Short-term provisions**

Particulars	As at March 31, 2012	As at March 31, 2011
Provision for employee benefits:		
Provision for tax	-	-
<b>Total</b>	-	-

**13 Non - current Investment**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Trade, unquoted (at cost)</b>		
258300 Equity Shares of Rs.10/-each fully paid in QED Software System Ltd Shares lost and not in possession of the company Shares not quoted hence market value not given	4,465,812.00	4,465,812.00
<b>Trade, quoted (at cost)</b>		-
	-	168,500.00
<b>Total</b>	<b>4,465,812.00</b>	<b>4,634,312.00</b>
Aggregate amount of unquoted investments (non current)	4,465,812.00	4,634,312.00

**14 Deferred Taxes**

The major components of the deferred tax assets and liabilities are outlined below:

Particulars	As at March 31, 2012	As at March 31, 2011
Tangible assets	491,856.00	652,185.00
<b>Deferred tax assets</b>	<b>491,856.00</b>	<b>652,185.00</b>

**15 Long-term loans and advances**

Particulars	As at March 31, 2012	As at March 31, 2011
<i>Unsecured - considered good</i>		
Advances	-	6,559,672.00
<b>Total</b>	<b>-</b>	<b>6,559,672.00</b>

**16 Current Investment**

Particulars	As at March 31, 2012	As at March 31, 2011
<i>Government or trust securities (at lower of cost and fair value)</i>	-	-
<i>In Mutual Fund (at lower of cost and fair value)</i>		
<b>Total</b>	<b>-</b>	<b>-</b>
Aggregate amount of unquoted investments (current)	-	-



**17 Trade Receivables**

Particulars	As at March 31, 2012	As at March 31, 2011
<i>Unsecured:</i>		
Other debts	-	-
<b>Total</b>	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	-	-

**18 Cash and bank balance**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Cash and cash equivalents</b>		
Cash in hand	517.07	287,443.15
Bank balances		
- in current accounts	18,376.80	6,431.80
<b>Total</b>	<b>18,893.87</b>	<b>293,874.95</b>

**19 Short-term loans and advances**

Particulars	As at March 31, 2012	As at March 31, 2011
<i>Unsecured, considered good</i>		
<b>Total</b>	-	-

**20 Other current assets**

Particulars	As at March 31, 2012	As at March 31, 2011
Telephone deposit/deposit with stock exchange	103,000.00	160,590.00
Interest accrued but not due		
<b>Total</b>	<b>103,000.00</b>	<b>160,590.00</b>

**21 Revenue from operations**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Sales	1,045,000.00	250,000.00
<b>Total</b>	<b>1,045,000.00</b>	<b>250,000.00</b>

**22 Other income**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest income		
<b>Total</b>	-	-

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2012**  
 (All amounts are in Indian Rupees, except share data or as stated)

**23 Employee related benefits**

<b>Particulars</b>	<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
Salaries and wages	-	-
Contribution to provident and other funds	-	-
Staff welfare expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**24 Other expenses**

<b>Particulars</b>	<b>Year ended March 31, 2012</b>	<b>Year ended March 31, 2011</b>
Audit Fee	27,575.00	27,575.00
Communication Expenses	3,347.00	30,632.00
Travelling and conveyance		35,278.00
Printing and stationery	2,785.00	6,272.00
Professional charges (Also refer note 28)	14,000.00	64,000.00
Miscellaneous expenses	73,341.95	75,002.50
<b>Total</b>	<b>121,048.95</b>	<b>238,759.50</b>

**25 Depreciation**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Depreciation on tangible assets	1,022,515.17	1,022,515.17
Amortisation on intangible assets	-	-
<b>Total</b>	<b>1,022,515.17</b>	<b>1,022,515.17</b>

**26 Finance costs**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Interest expenses	2,735.00	885.00
Bank charges	-	-
<b>Total</b>	<b>2,735.00</b>	<b>885.00</b>

**27 Exceptional Items**

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Provision on Investement Reversed	168,500.00	-
Excess Tax Prov.Reversed	800,000.00	-
Excess Sales tax Prov.Reversed	286,426.66	-
Reversal of PF	91.00	-
<b>Total</b>	<b>1,255,017.66</b>	<b>-</b>

**27 Capital commitments and contingent liabilities**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>(i) Contingent liabilities</b>		
- Commitments in respect of Bank guarantees issued by Company's bankers	-	-
- Claims made against the Company not acknowledged as debts in respect of service tax matters	-	-

**28 Payment to auditors, excluding service tax (included in professional charges under note 24)**

Particulars	Year ended March 31,2012	Year ended March 31,2011
Statutory audit	27,575.00	27,575.00
Other services		
Out of pocket expenses		
<b>Total</b>	<b>27,575.00</b>	<b>27,575.00</b>

**29 Financial lease obligations**

Particulars	As at March 31, 2012	As at March 31, 2011
<b>Future minimum lease payments</b>		
Not later than one year	-	-
Later than one year and not later than five years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Less: Amounts representing future interest	-	-
Present value of minimum lease payments	-	-
Less: Amounts due not later than one year	-	-
Amounts due later than one year and not later than five years	-	-

**30 Details of inventory of consumables**

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2012**  
(All amounts are in Indian Rupees, except share data or as stated)

For the current year ended March 31, 2012, none of the items are individually material and also account for less than 10% of the total value of purchases, sales and consumption and hence, particulars in respect of the same has not been furnished

For the previous year ended March 31, 2011, the Company was exempt from furnishing information as required by part II of the pre-revised schedule VI

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2012**  
(All amounts are in Indian Rupees, except share data or as stated)

**31 Retirement benefits Gratuity Plan**

Not Applicable

**32 Related party transactions**

Names of related parties and nature of relationship are as follows:

Subsidiaries	NIL
Associates	NIL
Key Management Personnel (KMP)	Rangarajan
Enterprise over which KMP are able to exercise significant influence	Nil

**33 Micro, Small and Medium Enterprises**

The management is currently in the process of identifying enterprises which have provided services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2012 has not been made in the financials statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

**34** Previous year figures have been regrouped wherever necessary to conform to current year classification

*for Parimelazhagan & co*  
*Chartered Accountants*  
Firm Registration no.6514S

**for and on behalf of Board of Directors of**

**S.Parimelazhagan**  
*Partner*  
Membership No. 200970

**R.Rajalakshmi**  
Director

**R.Rangarajan**  
Director

Place: Chennai  
Date:02.08.2012

**Notes to financial statements for the year ended March 31, 2012**  
(All amounts are in Indian Rupees, except share data or as stated)

**11 Tangible assets**

Particulars	Plant and machinery	Furniture and fittings	Office equipments	Vehicles	Computer and accessories	Others	Total
<b>Gross block</b>							
Balance as at April 1, 2010		3665104.81	215311.00	60158.16	10432875.00	161361.00	14,534,810
Additions							-
Disposals							-
Transfer *							-
<b>Balance as at March 31, 2011</b>	<b>-</b>	<b>3,665,105</b>	<b>215,311</b>	<b>60,158</b>	<b>10,432,875</b>	<b>161,361</b>	<b>14,534,810</b>
Balance as at April 1, 2011		3665104.81	215311.00	60158.16	10432875.00	161361.00	14,534,810
Additions						-	-
Disposals					-		-
Transfer *	-	-			-		-
<b>Balance as at March 31, 2012</b>	<b>-</b>	<b>3,665,105</b>	<b>215,311</b>	<b>60,158</b>	<b>10,432,875</b>	<b>161,361</b>	<b>14,534,810</b>
<b>Depreciation</b>							
Balance as at April 1, 2010		446,208.03	162,172.60	60,158.16	7,486,449.51	161,361.00	8,316,349.30
Depreciation for the year		227,913.65	10,968.52		783,633.00		1,022,515.17
Accumulated depreciation on disposals							-
Transfer *							-
<b>Balance as at March 31, 2011</b>	<b>-</b>	<b>674,121.68</b>	<b>173,141.12</b>	<b>60,158.16</b>	<b>8,270,082.51</b>	<b>161,361.00</b>	<b>9,338,864.47</b>
Balance as at April 1, 2011		674121.68	173141.12	60158.16	8270082.51	161361.00	9,338,864
Depreciation for the year		227913.65	10968.52		783633.00		1,022,515.17
Accumulated depreciation on disposals							-
Transfer *							-
<b>Balance as at March 31, 2012</b>	<b>-</b>	<b>902,035</b>	<b>184,110</b>	<b>60,158</b>	<b>9,053,716</b>	<b>161,361</b>	<b>10,361,380</b>
<b>Net Block as at March 31, 2011</b>	<b>-</b>	<b>2,990,983</b>	<b>42,170</b>	<b>-</b>	<b>2,162,792</b>	<b>-</b>	<b>5,195,946</b>
<b>Net Block as at March 31, 2012</b>	<b>-</b>	<b>2,763,069</b>	<b>31,201</b>	<b>-</b>	<b>1,379,159</b>	<b>-</b>	<b>4,173,430</b>

\* Note: Transfers represent re-classification of vehicles acquired under finance lease subsequent to settlement of the loan.



**12 Intangible assets**

<b>Particulars</b>	<b>Goodwill</b>	<b>Total</b>
<b>Gross block</b>		
Balance as at April 1, 2010	-	-
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2011</b>	<b>-</b>	<b>-</b>
Balance as at April 1, 2011	-	-
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2012</b>	<b>-</b>	<b>-</b>
<b>Depreciation</b>		
Balance as at April 1, 2010	-	-
Depreciation for the year	-	-
Accumulated depreciation on disposals	-	-
<b>Balance as at March 31, 2011</b>	<b>-</b>	<b>-</b>
Balance as at April 1, 2011	-	-
Depreciation for the year	-	-
Accumulated depreciation on disposals	-	-
<b>Balance as at March 31, 2012</b>	<b>-</b>	<b>-</b>
<b>Net Block as at March 31, 2011</b>	<b>-</b>	<b>-</b>
<b>Net Block as at March 31, 2012</b>	<b>-</b>	<b>-</b>

ENCORE BUSINESS SYSTEM LIMITED  
Cash flow Statement for the year ended March 31, 2012

(All amounts are in Indian Rupees, except share data or as stated)

	Note No.	For the year ended March 31, 2012	For the year ended March 31, 2011
<b>Cash flow from operating activities</b>			
Profit before taxation		1,153,719	(1,012,160)
<b>Adjustments for:</b>			
Depreciation / amortisation		1,022,515	1,022,515
Interest expenses		2,735	-
Loss on sale of investments		-	-
Interest income		-	-
Dividend income		-	-
Provision for doubtful debts/ Provision written back		-	-
Loss on sale of tangible assets		-	-
		<u>2,178,969</u>	<u>10,356</u>
<b>Operating cash flow before working capital changes</b>			
<i>Adjustments for:</i>			
(Increase)/decrease in trade receivables		-	-
(Increase)/decrease in loans and advances and other current assets		6,617,262	717,750
Increase/(decrease) in current liabilities and provisions		(1,422,995)	(784,780)
Increase /(decrease) in provisions		-	-
<b>Cash generated from operations</b>		<u>7,373,236</u>	<u>(56,674)</u>
Income taxes paid		-	-
<b>Net cash provided/(used) by operating activities</b>	<b>A</b>	<u>7,373,236</u>	<u>(56,674)</u>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets/intangible asset		(7,645,482)	-
Proceeds from sale of tangible assets		-	-
Purchase of investment		-	-
Sale of investment		-	-
Loss on sale of investment		-	-
Dividend income		-	-
Interest income		-	-
<b>Net cash (used)/provided by investing activities</b>	<b>B</b>	<u>(7,645,482)</u>	<u>-</u>
<b>Cash flow from financing activities</b>			
Repayment of finance lease obligations		-	-
Increase/(decrease) in cash credit and overdraft facilities		-	-
Interest paid		(2,735)	-
Dividend paid (including dividend tax)		-	-
<b>Net cash (used)/provided by financing activities</b>	<b>C</b>	<u>(2,735)</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>A+B+C</b>	<u>(274,981)</u>	<u>(56,674)</u>
Cash and cash equivalents / margin money at the beginning of the year		<u>293,875</u>	<u>350,546</u>
<b>Cash and cash equivalents / margin money at the end of the year</b>	<b>18</b>	<u>18,894</u>	<u>293,872</u>

**Supplementary information**

The schedules referred to above and notes thereon form an integral part of the financial statements

This is the cash flow statement referred to in our report of even date

for Parimelazhagan & co  
Chartered Accountants  
Firm Registration no.6514S

**for and on behalf of Board of Directors of**

S.Parimelazhagan  
Partner  
Membership No. 200970

**R.Rajalakshmi**  
Director

**R.Rangarajan**  
Director

Place: Chennai  
Date:02.08.2012

**ENCORE BUSINESS SYSTEM LIMITED**

**Balance Sheet as at March 31, 2013**

(All amounts are in Indian Rupees, except share data or as stated)

	Notes	As at 31-Mar-2013	As at 31-Mar-2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	3	30,974,210.00	30,974,210.00
Reserves and Surplus	4	(14,948,305.94)	(15,174,600.77)
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	-
Deferred Tax Liability	14	280,665.00	491,856.00
Long-term provisions	6	-	-
<b>Current Liabilities</b>			
Short-term borrowings	7	-	-
Trade payables	8	-	-
Other current liabilities	9	92,676.97	115,152.97
Short-term provisions	10	-	-
<b>Total</b>		<b>16,399,246.03</b>	<b>16,406,618.20</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets	11	3,150,915.16	4,173,430.33
Intangible assets	12	-	-
Intangible assets WIP		8,071,212.00	7,645,482.00
Non-current investments	13	4,465,812.00	4,465,812.00
Long-term loans and advances	15	-	-
<b>Current assets</b>			
Current investments	16	-	-
Trade receivables	17	327,500.00	-
Cash and bank balances	18	280,806.87	18,893.87
Short-term loans and advances	19	-	-
Other current assets	20	103,000.00	103,000.00
<b>Total</b>		<b>16,399,246.03</b>	<b>16,406,618.20</b>

Significant accounting policies

2

The notes referred to above form an integral part of the balance sheet.

This is the balance sheet referred to in our report of even date.

for Parimelazhagan & co  
Chartered Accountants  
Firm Registration no.6514S

**for and on behalf of Board**

S.Parimelazhagan  
Partner  
Membership No. 200970

**R.Rajalakshmi**  
Director

**R.Rangarajan**  
Director

Place: Chennai  
Date:04.04.2013

**ENCORE BUSINESS SYSTEM LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2013**  
(All amounts are in Indian Rupees, except share data or as stated)

	Notes	Year ended March 31, 2013	Year ended March 31, 2012
<b>Revenue</b>			
Revenue from operations	21	1,145,000.00	1,045,000.00
Other income	22	-	-
<b>Total Revenue</b>		<b>1,145,000.00</b>	<b>1,045,000.00</b>
<b>Expenses</b>			
Employee related benefits	23	-	-
Other expenses	24	106,919.00	121,048.95
Depreciation and amortization expense	25	1,022,515.17	1,022,515.17
Finance costs	26	462.00	2,735.00
<b>Total expenses</b>		<b>1,129,896.17</b>	<b>1,146,299.12</b>
<b>Profit before exceptional Items</b>	27	<b>15,103.83</b>	<b>(101,299.12)</b>
<b>Add: Exceptional Items</b>		<b>-</b>	<b>1,255,017.66</b>
<b>Profit before tax</b>		<b>15,103.83</b>	<b>1,153,718.54</b>
<b>Tax expense:</b>			
-Current tax		-	-
-Current tax for earlier years		-	-
-Deferred tax		-211191.00	-160329.00
<b>Total tax expense</b>		<b>(211,191.00)</b>	<b>(160,329.00)</b>
<b>Profit for the period</b>		<b>226,294.83</b>	<b>1,314,047.54</b>
Earnings per equity share			
- Basic and diluted		0.07	0.42
Weighted average number of equity shares outstanding		3,097,421	3,097,421
Nominal value of equity shares (Rs.)		10	10
Significant accounting policies	2		

The notes referred to above form an integral part of the statement of profit and loss.

This is the statement of profit and loss referred to in our report of even date.

for Parimelazhagan & co  
Chartered Accountants  
Firm Registration no.6514S

**for and on behalf of Board of Directors of**

S.Parimelazhagan  
Partner  
Membership No. 200970

**R.Rajalakshmi**  
Director

**R.Rangarajan**  
Director

Place: Chennai  
Date:04.04.2013

## Significant accounting policies and notes to the financial statements

### 1 Company Background

Encore is currently in the business of software development, software testing, training and related services

### 2 Significant Accounting Policies

#### a Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the generally accepted accounting principles ('GAAP') in India and comply with the Accounting Standards notified by the Central Government pursuant to Companies (Accounting Standard) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, to the extent applicable.

Presentation and disclosure of financial statements

During the year ended March 31, 2013, the revised schedule VI notified under the Companies Act, 1961 has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies, the revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### Change in accounting policy

There is no change in accounting policy.

#### b Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### c Fixed assets, depreciation and capital work in progress

##### Tangible assets and depreciation

Fixed assets are stated at cost of acquisition, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of all incidental expenses relating to cost of acquisition and the cost of installation / erection as applicable. Borrowing cost related to acquisition or construction of those fixed asset which necessarily take a substantially period of time to get ready for their intended use are capitalised.

Depreciation on fixed assets is provided on Straight line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimates of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management estimate of useful life/ remaining useful life.

##### Intangible assets and amortization

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortized over their estimated economic useful lives on a straight line basis commencing from the date the asset is available for its use. The management estimates the useful lives for the intangible asset (software) at 10 years.

**d Inventories**

Inventories are valued at the lower of cost and net realizable value.

Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from tax authorities.

**e Leases**

Operating lease payments are recognised as an expense in the statement of profit and loss account on straight line basis over the lease term.

Assets acquired under a finance lease are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower, at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to statement of profit and loss account.

**f Revenue recognition**

Income from Training Services is accounted when the relevant services are rendered and is net of discounts and taxes and Income from Sale of Software is accounted on transfer of ownership

**g Investments**

Long term investments are stated at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

Current investments are stated at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

**h Employee benefit**

*Defined contribution plan*

At present the company has no obligation to provide for contribution towards PF/ ESI and gratuity

**i Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions or rates that approximates the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the statement of profit and loss account of the year.

**j Provisions, contingent liabilities and contingent assets**

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2013**  
 (All amounts are in Indian Rupees, except share data or as stated)

**k Taxation**

Income tax expenses comprise current tax (i.e. amount of income tax for the year determined in accordance with the Income Tax law) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income / expense and taxable income / expense for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty of the assets getting realised in future. However, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to setoff and they relate to taxes on income levied by the same governing taxation laws.

**l Earnings per share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

**m Impairment policy**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**n Cash flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions.

**3 Share Capital**

**a The details of authorised, issued, subscribed and paid up share capital is as under:**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Authorised</b> 10,000,000 (March 31, 2012: 10,000,000 equity shares) of Rs 10 each	100,000,000.00	100,000,000.00
<b>Issued, Subscribed and Paid up</b> 30,97,421 (March 31, 2012: 30,97,421) equity shares of Rs 10 each	<b>30,974,210.00</b>	<b>30,974,210.00</b>

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2013**  
 (All amounts are in Indian Rupees, except share data or as stated)

--	--	--

**b The reconciliation of number and amount of shares outstanding is as under:**

Particulars	As at March 31, 2013		As at March 31, 2012	
	(No. of shares)	(Amount)	(No. of shares)	(Amount)
<b>Equity Shares</b>				
Balance at the beginning of the year	3,097,421	30,974,210.00	3,097,421	30,974,210.00
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3,097,421</b>	<b>30,974,210.00</b>	<b>3,097,421</b>	<b>30,974,210.00</b>

**c Terms / rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended March 31, 2012, the Company has not declared any dividend.

**d Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Equity shares of Rs. 10 each fully paid</b>				
R Rangarajan	308,890	9.97%	308,890.00	9.97%
	<b>308,890</b>		<b>308,890.00</b>	

**e Shares allotted as fully paid up by way of bonus shares and pursuant to contracts without payment being received in cash**

Particulars	As at 31-Mar-13	As at 31-Mar-12
Equity shares allotted as fully paid up bonus shares		Not applicable

**4 Reserves and Surplus**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Securities premium account</b>		
Balance at the beginning of the year	1,272,350.00	1,272,350.00
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
<b>Closing balance</b>	<b>1,272,350.00</b>	<b>1,272,350.00</b>
<b>General reserves</b>		
Balance at the beginning of the year	121,000.00	121,000.00
Add: Amount transferred from surplus	-	-
Less: Utilisation during the year	-	-
<b>Closing balance</b>	<b>121,000.00</b>	<b>121,000.00</b>



Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2013**  
 (All amounts are in Indian Rupees, except share data or as stated)

<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	(16,567,950.77)	(17,881,998.31)
Profit for the year	226,294.83	1,314,047.54
Less: Appropriations		
<b>Net surplus in the statement of profit and loss</b>	<b>(16,341,655.94)</b>	<b>(16,567,950.77)</b>
<b>Total</b>	<b>(14,948,305.94)</b>	<b>(15,174,600.77)</b>

**5 Long-term borrowings**

Particulars	As at March 31, 2013	As at March 31, 2012
<i>Secured</i>		
Finance lease obligation	-	-
<b>Total</b>	-	-

No financial obligation

**6 Long-term provisions**

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for Investments		-
<b>Total</b>	-	-

**7 Short-term borrowings**

Particulars	As at March 31, 2013	As at March 31, 2012
<i>Secured</i>		
<b>From banks</b>		
Cash credit	-	-
<b>Total</b>	-	-

**8 Trade payables**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Sundry creditors</b>		
- dues to micro and small enterprises (Refer note 33)	-	-
- dues to creditors other than micro and small enterprises	-	-
<b>Others</b>		
Payable to employees	-	-
<b>Total</b>	-	-

**9 Other current liabilities**

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2013**  
(All amounts are in Indian Rupees, except share data or as stated)

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of Long term loan		
Statutory Liabilities		
Payables to others	92,676.97	115,152.97
<b>Total</b>	<b>92,676.97</b>	<b>115,152.97</b>

**10 Short-term provisions**

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits:		
Provision for tax	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**13 Non - current Investment**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Trade, unquoted (at cost)</b>		
258300 Equity Shares of Rs.10/-each fully paid in QED Software System Ltd	4,465,812.00	4,465,812.00
Shares lost and not in possession of the company Shares not quoted hence market value not given		-
<b>Trade, quoted (at cost)</b>	-	
<b>Total</b>	<b>4,465,812.00</b>	<b>4,465,812.00</b>
Aggregate amount of unquoted investments (non current)	4,465,812.00	4,465,812.00

**14 Deferred Taxes**

The major components of the deferred tax assets and liabilities are outlined below:

Particulars	As at March 31, 2013	As at March 31, 2012
Tangible assets	280,665.00	491,856.00
<b>Deferred tax assets</b>	<b>280,665.00</b>	<b>491,856.00</b>

**15 Long-term loans and advances**

Particulars	As at March 31, 2013	As at March 31, 2012
<i>Unsecured - considered good</i>		
Advances		-
<b>Total</b>	<b>-</b>	<b>-</b>

**16 Current Investment**

Particulars	As at March 31, 2013	As at March 31, 2012

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2013**  
 (All amounts are in Indian Rupees, except share data or as stated)

<i>Government or trust securities (at lower of cost and fair value)</i>	-	-
<i>In Mutual Fund (at lower of cost and fair value)</i>		
<b>Total</b>	-	-

Aggregate amount of unquoted investments (current) - -

**17 Trade Receivables**

Particulars	As at March 31, 2013	As at March 31, 2012
<i>Unsecured: and considered good</i>		
More than 6 months	-	-
Other debts	327,500.00	-
	-	-
<b>Total</b>	<b>327,500.00</b>	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>327,500.00</b>	-

**18 Cash and bank balance**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>Cash and cash equivalents</b>		
Cash in hand	214,787.07	517.07
Bank balances		
- in current accounts	66,019.80	18,376.80
<b>Total</b>	<b>280,806.87</b>	<b>18,893.87</b>

**19 Short-term loans and advances**

Particulars	As at March 31, 2013	As at March 31, 2012
<i>Unsecured, considered good</i>	-	-
<b>Total</b>	-	-

**20 Other current assets**

Particulars	As at March 31, 2013	As at March 31, 2012
Telephone deposit/deposit with stock exchange	103,000.00	103,000.00
Interest accrued but not due		
<b>Total</b>	<b>103,000.00</b>	<b>103,000.00</b>

**21 Revenue from operations**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Sales	1,145,000.00	1,045,000.00

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2013**  
 (All amounts are in Indian Rupees, except share data or as stated)

<b>Total</b>	<b>1,145,000.00</b>	<b>1,045,000.00</b>
--------------	---------------------	---------------------

**22 Other income**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest income		
<b>Total</b>	-	-

**23 Employee related benefits**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Salaries and wages	-	-
Contribution to provident and other funds	-	-
Staff welfare expenses	-	-
<b>Total</b>	-	-

**24 Other expenses**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Audit Fee	27,575.00	27,575.00
Communication Expenses		3,347.00
Travelling and conveyance	160.00	
Printing and stationery	6,780.00	2,785.00
Professional charges	9,000.00	14,000.00
Miscellaneous expenses	63,404.00	73,341.95
<b>Total</b>	<b>106,919.00</b>	<b>121,048.95</b>

**25 Depreciation**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation on tangible assets	1,022,515.17	1,022,515.17
Amortisation on intangible assets	-	-
<b>Total</b>	<b>1,022,515.17</b>	<b>1,022,515.17</b>

**26 Finance costs**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest expenses	-	2,735.00
Bank charges	462.00	-
<b>Total</b>	<b>462.00</b>	<b>2,735.00</b>

**27 Exceptional Items**

Particulars	Year ended March 31, 2013	Year ended March 31, 2012

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2013**  
 (All amounts are in Indian Rupees, except share data or as stated)

Provision on Investement Reversed	-	168,500.00
Excess Tax Prov.Reversed	-	800,000.00
Excess Sales tax Prov.Reversed	-	286,426.66
Reversal of PF	-	91.00
<b>Total</b>	-	<b>1,255,017.66</b>

**27 Capital commitments and contingent liabilities**

Particulars	As at March 31, 2013	As at March 31, 2012
<b>(i) Contingent liabilities</b>		
- Commitments in respect of Bank guarantees issued by Company's bankers	-	-
- Claims made against the Company not acknowledged as debts	-	-

**28 Payment to auditors, excluding service tax (included in professional charges under note 24)**

Particulars	Year ended March 31,2013	Year ended March 31,2012
Statutory audit	27,575.00	27,575.00
<b>Total</b>	<b>27,575.00</b>	<b>27,575.00</b>

**29 Financial lease obligations**

Particulars	As at March 31, 2013	As at March 31, 2012
<i>Future minimum lease payments</i>		
Not later than one year	-	-

**30 Details of inventory of consumables**

For the current year ended March 31, 2013, none of the items are individually material and also account for less than 10% of the total value of purchases, sales and consumption and hence, particulars in respect of the same has not been furnished

**31 Retirement benefits Gratuity Plan**

Not Applicable

**32 Related party transactions**

Names of related parties and nature of relationship are as follows:

Subsidiaries	NIL
Associates	NIL
Key Management Personnel (KMP)	Rangarajan
Enterprise over which KMP are able to exercise significant influence	Nil

**33 Micro, Small and Medium Enterprises**

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2013**  
(All amounts are in Indian Rupees, except share data or as stated)

The management is currently in the process of identifying enterprises which have provided services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2013 has not been made in the financials statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

**34** Previous year figures have been regrouped wherever necessary to conform to current year classification

*for Parimelazhagan & co*  
*Chartered Accountants*  
Firm Registration no.6514S

**for and on behalf of Board of Directors of**

**S.Parimelazhagan**  
*Partner*  
Membership No. 200970

**R.Rajalakshmi**  
Director

**R.Rangarajan**  
Director

Place: Chennai  
Date:04.04.2013

**Notes to financial statements for the year ended March 31, 2013**

(All amounts are in Indian Rupees, except share data or as stated)

**11 Tangible assets**

Particulars	Furniture and fittings	Office equipments	Vehicles	Computer and accessories	Others	Total
<b>Gross block</b>						
Balance as at April 1, 2011	3665104.81	215311.00	60158.16	10432875.00	161361.00	14534809.97
Additions						0.00
Transfer *						0.00
<b>Balance as at March 31, 2012</b>	<b>3665104.81</b>	<b>215311.00</b>	<b>60158.16</b>	<b>10432875.00</b>	<b>161361.00</b>	<b>14534809.97</b>
Balance as at April 1, 2012	3665104.81	215311.00	60158.16	10432875.00	161361.00	14534809.97
Additions					0.00	0.00
<b>Balance as at March 31, 2013</b>	<b>3665104.81</b>	<b>215311.00</b>	<b>60158.16</b>	<b>10432875.00</b>	<b>161361.00</b>	<b>14534809.97</b>
<b>Depreciation</b>						
Balance as at April 1, 2011	674121.68	173141.12	60158.16	8270082.51	161361.00	9338864.47
Depreciation for the year	227913.65	10968.52		783633.00		1022515.17
<b>Balance as at March 31, 2012</b>	<b>902035.33</b>	<b>184109.64</b>	<b>60158.16</b>	<b>9053715.51</b>	<b>161361.00</b>	<b>10361379.64</b>
Balance as at April 1, 2012	902035.33	184109.64	60158.16	9053715.51	161361.00	10361379.64
Depreciation for the year	227913.65	10968.52		783633.00		1022515.17
<b>Balance as at March 31, 2013</b>	<b>1129948.98</b>	<b>195078.16</b>	<b>60158.16</b>	<b>9837348.51</b>	<b>161361.00</b>	<b>11383894.81</b>
<b>Net Block as at March 31, 2012</b>	<b>2763069.48</b>	<b>31201.36</b>	<b>0.00</b>	<b>1379159.49</b>	<b>0.00</b>	<b>4173430.33</b>
<b>Net Block as at March 31, 2013</b>	<b>2535155.83</b>	<b>20232.84</b>	<b>0.00</b>	<b>595526.49</b>	<b>0.00</b>	<b>3150915.16</b>

\* Note: Transfers represent re-classification of vehicles acquired under finance lease subsequent to settlement of the loan.

**12 Intangible assets**

<b>Particulars</b>		<b>Goodwill</b>	<b>Total</b>
<b>Gross block</b>			
Balance as at April 1, 2011		-	-
Additions		-	-
Disposals		-	-
<b>Balance as at March 31, 2012</b>		-	-
Balance as at April 1, 2012		-	-
Additions		-	-
Disposals		-	-
<b>Balance as at March 31, 2013</b>		-	-
<b>Depreciation</b>			
Balance as at April 1, 2011		-	-
Depreciation for the year		-	-
Accumulated depreciation on disposals		-	-
<b>Balance as at March 31, 2012</b>		-	-
Balance as at April 1, 2012		-	-
Depreciation for the year		-	-
Accumulated depreciation on disposals		-	-
<b>Balance as at March 31, 2013</b>		-	-
<b>Net Block as at March 31, 2012</b>		-	-
<b>Net Block as at March 31, 2013</b>		-	-



ENCORE BUSINESS SYSTEM LIMITED			
<b>Cash flow Statement for the year ended March 31, 2012</b>			
(All amounts are in Indian Rupees, except share data or as stated)			
	Note No.	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>Cash flow from operating activities</b>			
Profit before taxation		15,104	1,153,719
<b>Adjustments for:</b>			
Depreciation / amortisation		1,022,515	1,022,515
Interest expenses		462	2,735
Loss on sale of investments			-
Interest income			-
Dividend income			-
Provision for doubtful debts/ Provision written back			-
Loss on sale of tangible assets			-
<b>Operating cash flow before working capital changes</b>		<b>1,038,081</b>	<b>2,178,969</b>
<i>Adjustments for:</i>			
(Increase)/decrease in trade receivables		(327,500)	-
(Increase)/decrease in loans and advances and other current assets		-	6,617,262
Increase/(decrease) in current liabilities and provisions		(22,476)	(1,422,995)
Increase /(decrease) in provisions			
<b>Cash generated from operations</b>		<b>688,105</b>	<b>7,373,236</b>
Income taxes paid		-	-
<b>Net cash provided/(used) by operating activities</b>	<b>A</b>	<b>688,105</b>	<b>7,373,236</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets/intangible asset		(425,730.00)	(7,645,482)
Proceeds from sale of tangible assets			-
Purchase of investment			-
Sale of investment			-
Loss on sale of investment			-
Dividend income			-
Interest income			-
<b>Net cash (used)/provided by investing activities</b>	<b>B</b>	<b>(425,730)</b>	<b>(7,645,482)</b>
<b>Cash flow from financing activities</b>			
Repayment of finance lease obligations		-	-
Increase/(decrease) in cash credit and overdraft facilities		-	-
Interest paid		(462)	(2,735)
Dividend paid (including dividend tax)		-	-
<b>Net cash (used)/provided by financing activities</b>	<b>C</b>	<b>(462)</b>	<b>(2,735)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>A+B+C</b>	<b>261,913</b>	<b>(274,981)</b>
Cash and cash equivalents / margin money at the beginning of the year		<b>18,894</b>	<b>293,875</b>
<b>Cash and cash equivalents / margin money at the end of the year</b>	<b>18</b>	<b>280,807</b>	<b>18,894</b>

#### Supplementary information

The schedules referred to above and notes thereon form an integral part of the financial statements

This is the cash flow statement referred to in our report of even date

for Parimelazhagan & co  
Chartered Accountants  
Firm Registration no.6514S

for and on behalf of Board of Directors of

S.Parimelazhagan  
Partner  
Membership No. 200970

**R.Rajalakshmi**  
Director

**R.Rangarajan**  
Director

Place: Chennai  
Date:04.04.2013

**ENCORE BUSINESS SYSTEM LIMITED**

**Balance Sheet as at March 31, 2014**

(All amounts are in Indian Rupees, except share data or as stated)

	Notes	As at 31-Mar-2014	As at 31-Mar-2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share Capital	3	30,974,210	30,974,210
Reserves and Surplus	4	(14,920,401)	(14,948,306)
<b>Non-current liabilities</b>			
Long-term borrowings		-	-
Deferred Tax Liability	5	290,640	280,665
Long-term provisions		-	-
<b>Current Liabilities</b>			
Short-term borrowings		-	-
Trade payables		-	-
Other current liabilities	6	131,594	92,677
Short-term provisions	7	8,917	-
<b>Total</b>		<b>16,484,960</b>	<b>16,399,246</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible assets	8	2,308,165.00	3,150,915.16
Intangible assets	9	2,086,010.00	-
Intangible assets WIP	10	6,597,212.00	8,071,212.00
Non-current investments	11	4,500,000.00	4,465,812.00
Long-term loans and advances		-	-
		-	-
		-	-
<b>Current assets</b>			
Current investments		-	-
Trade receivables	12	403,875	327,500
Cash and bank balances	13	306,698	280,807
Short-term loans and advances		-	-
Other current assets	14	283,000	103,000
<b>Total</b>		<b>16,484,960</b>	<b>16,399,246</b>

0.44

Significant accounting policies

2

The notes referred to above form an integral part of the balance sheet.

This is the balance sheet referred to in our report of even date.

for Parimelazhagan & co  
Chartered Accountants  
Firm Registration no.6514S

**for and on behalf of Board**

S.Parimelazhagan  
Proprietor  
Membership No. 200970

**R.Rangarajan**      **R. Rajalakshmi**  
Director                      Director

Place: Chennai  
Date:25.06.2014

**ENCORE BUSINESS SYSTEM LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2014**

(All amounts are in Indian Rupees, except share data or as stated)

	Notes	Year ended March 31, 2014	Year ended March 31, 2013
<b>Revenue</b>			
Revenue from operations	15	1,244,375	1,145,000
Other income	16	34,188	-
<b>Total Revenue</b>		<b>1,278,563</b>	<b>1,145,000</b>
<b>Expenses</b>			
Employee related benefits		-	-
Other expenses	17	374,637	106,919
Depreciation	18	856,740	1,022,515
Finance costs	19	389	462
<b>Total expenses</b>		<b>1,231,766</b>	<b>1,129,896</b>
<b>Profit before exceptional Items</b>		<b>46,797</b>	<b>15,104</b>
<b>Add: Exceptional Items</b>		-	-
<b>Profit before tax</b>		<b>46,797</b>	<b>15,104</b>
<b>Tax expense:</b>			
Current tax		8,917	-
Current tax for earlier years		-	-
Deferred tax		9,975	(211,191)
<b>Total tax expense</b>		<b>18,892</b>	<b>(211,191)</b>
<b>Profit for the period</b>		<b>27,905</b>	<b>226,295</b>
Earnings per equity share			
- Basic and diluted		0.01	0.07
Weighted average number of equity shares outstanding		3,097,421	3,097,421
Nominal value of equity shares (Rs.)		10	10
Significant accounting policies	2		

The notes referred to above form an integral part of the statement of profit and loss.

This is the statement of profit and loss referred to in our report of even date.

for Parimelazhagan & co  
Chartered Accountants  
Firm Registration no.6514S

**for and on behalf of Board of Directors of**

S.Parimelazhagan  
Proprietor  
Membership No. 200970

**R.Rangarajan**  
Director

**R. Rajalakshmi**  
Director

Place: Chennai  
Date:25.06.2014

## **Significant accounting policies and notes to the financial statements**

### **1 Company Background**

Encore is currently in the business of software development, software testing, training and related services.

### **2 Significant Accounting Policies**

#### **a Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the generally accepted accounting principles ('GAAP') in India and comply with the Accounting Standards notified by the Central Government pursuant to Companies (Accounting Standard) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, to the extent applicable.

#### **Presentation and disclosure of financial statements**

During the year ended March 31, 2014, the revised schedule VI notified under the Companies Act, 1961 has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies, the revised schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### **Change in accounting policy**

There is no change in accounting policy.

#### **b Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### **c Fixed assets, depreciation and capital work in progress**

##### **Tangible assets and depreciation**

Fixed assets are stated at cost of acquisition, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of all incidental expenses relating to cost of acquisition and the cost of installation / erection as applicable. Borrowing cost related to acquisition or construction of those fixed asset which necessarily take a substantially period of time to get ready for their intended use are capitalised.

Depreciation on fixed assets is provided on Straight line method. The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimates of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management estimate of useful life/ remaining useful life.

### **Intangible assets and amortization**

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortized over their estimated economic useful lives on a straight line basis commencing from the date the asset is available for its use. The management estimates the useful lives for the intangible asset (software) at 10 years.

### **d Inventories**

Inventories are valued at the lower of cost and net realizable value.

Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from tax authorities.

### **e Leases**

Operating lease payments are recognised as an expense in the statement of profit and loss account on straight line basis over the lease term.

Assets acquired under a finance lease are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower, at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to statement of profit and loss account.

### **f Revenue recognition**

Income from Training Services is accounted when the relevant services are rendered and is net of discounts and taxes and Income from Sale of Software is accounted on transfer of ownership

### **g Investments**

Long term investments are stated at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

Current investments are stated at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

### **h Employee benefit**

*Defined contribution plan*

At present the company has no obligation to provide for contribution towards PF/ ESI and gratuity

### **i Foreign currency transactions**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions or rates that approximates the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the statement of profit and loss account of the year.

### **j Provisions, contingent liabilities and contingent assets**

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2014**  
(All amounts are in Indian Rupees, except share data or as stated)

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

**k Taxation**

Income tax expenses comprise current tax (i.e. amount of income tax for the year determined in accordance with the Income Tax law) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income / expense and taxable income / expense for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty of the assets getting realised in future. However, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to setoff and they relate to taxes on income levied by the same governing taxation laws.

**l Earnings per share**

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

**m Impairment policy**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**n Cash flows**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions.

**3 Share Capital**

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2014**  
 (All amounts are in Indian Rupees, except share data or as stated)

**a The details of authorised, issued, subscribed and paid up share capital is as under:**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Authorised</b> 10,000,000 (March 31, 2014: 10,000,000 equity shares) of Rs 10 each	100,000,000	100,000,000
<b>Issued, Subscribed and Paid up</b> 30,97,421 (March 31, 2014: 30,97,421) equity shares of Rs 10 each	<b>30,974,210</b>	<b>30,974,210</b>

**b The reconciliation of number and amount of shares outstanding is as under:**

Particulars	As at March 31, 2014		As at March 31, 2013	
	(No. of shares)	(Amount)	(No. of shares)	(Amount)
<b>Equity Shares</b>				
Balance at the beginning of the year	3,097,421	30,974,210	3,097,421	30,974,210
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	<b>3,097,421</b>	<b>30,974,210</b>	<b>3,097,421</b>	<b>30,974,210</b>

**c Terms / rights attached to equity shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company declares dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended March 31, 2014, the Company has not declared any dividend.

**d Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of shares held	% of holding	No. of shares held	% of holding
<b>Equity shares of Rs. 10 each fully paid</b> R Rangarajan	308,890	9.97%	308,890.00	9.97%
	<b>308,890</b>		<b>308,890.00</b>	

**e Shares allotted as fully paid up by way of bonus shares and pursuant to contracts without payment being received in cash**

Particulars	As at 31-Mar-14	As at 31-Mar-13
-------------	--------------------	--------------------

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2014**  
 (All amounts are in Indian Rupees, except share data or as stated)

Equity shares allotted as fully paid up bonus shares	Not applicable	Not applicable
--	----------------	----------------

#### 4 Reserves and Surplus

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Securities premium account</b>		
Balance at the beginning of the year	1,272,350	1,272,350
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
<b>Closing balance</b>	<b>1,272,350</b>	<b>1,272,350</b>
<b>General reserves</b>		
Balance at the beginning of the year	121,000	121,000
Add: Amount transferred from surplus	-	-
Less: Utilisation during the year	-	-
<b>Closing balance</b>	<b>121,000</b>	<b>121,000</b>
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	(16,341,656)	(16,567,951)
Profit for the year	27,905	226,295
Less: Appropriations		
<b>Net surplus in the statement of profit and loss</b>	<b>(16,313,751)</b>	<b>(16,341,656)</b>
<b>Total</b>	<b>(14,920,401)</b>	<b>(14,948,306)</b>

#### 5 Deferred Taxes

The major components of the deferred tax assets and liabilities are outlined below:

Particulars	As at March 31, 2014	As at March 31, 2013
Tangible assets	290,640	280,665
<b>Deferred tax liability</b>	<b>290,640</b>	<b>280,665</b>

#### 6 Other current liabilities

Particulars	As at March 31, 2014	As at March 31, 2013
Current maturities of Long term loan		
Statutory Liabilities		
Payables to others	131,594	92,677
<b>Total</b>	<b>131,594</b>	<b>92,677</b>



Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2014**  
 (All amounts are in Indian Rupees, except share data or as stated)

**7 Short-term provisions**

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for employee benefits:		
Provision for tax	8,917.00	-
<b>Total</b>	<b>8,917.00</b>	<b>-</b>

**11 Non - current Investment**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Trade, unquoted (at cost)</b>		
450000 Equity Shares of Rs.10/-each fully paid in HONEYCOMB Technologies Pvt. Ltd. (at cost price)	4,500,000	4,465,812
		-
<b>Total</b>	<b>4,500,000.00</b>	<b>4,465,812.00</b>

Aggregate amount of unquoted investments (non current)

4,500,000

**12 Trade Receivables**

Particulars	As at March 31, 2014	As at March 31, 2013
<i>Unsecured: and considered good</i>		
More than 6 months	-	-
Other debts	403,875	327,500
<b>Total</b>	<b>403,875</b>	<b>327,500</b>
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>403,875</b>	<b>327,500</b>

**13 Cash and bank balance**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Cash and cash equivalents</b>		
Cash in hand	288,183	214,787
Bank balances		
- in current accounts	18,515	66,020
<b>Total</b>	<b>306,698</b>	<b>280,807</b>

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2014**  
 (All amounts are in Indian Rupees, except share data or as stated)

**14 Other current assets**

Particulars	As at March 31, 2014	As at March 31, 2013
Telephone deposit/deposit with stock exchange and others	283000	103,000.00
Interest accrued but not due	-	
<b>Total</b>	<b>283,000.00</b>	<b>103,000.00</b>

**15 Revenue from operations**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Sales of software	351,000	1,145,000
Income from training activities	893,375	-
<b>Total</b>	<b>1,244,375</b>	<b>1,145,000</b>

**16 Other income**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Income from Investment	34,188	-
<b>Total</b>	<b>34,188</b>	<b>-</b>

**17 Other expenses**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Audit Fee	20,000	27,575
Travelling and conveyance	100	160
Printing and stationery	6,158	6,780
Professional charges	11,500	9,000
Propotional Expenses	17,000	-
Miscellaneous expenses	319,879	63,404
<b>Total</b>	<b>374,637</b>	<b>106,919</b>

**18 Depreciation**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Depreciation on tangible assets	842,750	1,022,515
Amortisation on intangible assets	13,990	-
<b>Total</b>	<b>856,740</b>	<b>1,022,515</b>

**19 Finance costs**

Name of the Company ENCORE BUSINESS SYSTEM LIMITED  
**Notes to financial statements for the year ended March 31, 2014**  
 (All amounts are in Indian Rupees, except share data or as stated)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Bank charges/Interest expenses	389	462
<b>Total</b>	<b>389</b>	<b>462</b>

**20 Payment to auditors, excluding service tax (included in professional charges under note 24)**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Statutory audit	20,000	27,575
<b>Total</b>	<b>20,000</b>	<b>27,575</b>

**21 Details of inventory of consumables**

For the current year ended March 31, 2013, none of the items are individually material and also account for less than 10% of the total value of purchases, sales and consumption and hence, particulars in respect of the same has not been furnished

**22 Retirement benefits Gratuity Plan**

Not Applicable

**23 Related party transactions**

Names of related parties and nature of relationship are as follows:

Subsidiaries	NIL
Associates	NIL
Key Management Personnel (KMP)	Rangarajan R.
Enterprise over which KMP are able to exercise significant influence	Nil

**24 Micro, Small and Medium Enterprises**

The management is currently in the process of identifying enterprises which have provided services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2014 has not been made in the financials statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

**25 Previous year figures have been regrouped wherever necessary to conform to current year classification.**

*for Parimelazhagan & co*  
 Chartered Accountants  
 Firm Registration no.6514S

**for and on behalf of Board of Directors of**

**S.Parimelazhagan**  
 Proprietor  
 Membership No. 200970

**R.Rangarajan**  
 Director

**R. Rajalakshmi**  
 Director

Place: Chennai  
 Date:25.06.2014

**ENCORE BUSINESS SYSTEM LIMITED**  
**Notes to financial statements for the year ended March 31, 2014**  
(All amounts are in Indian Rupees, except share data or as stated)

**FIXED ASSET**

NAME OF THE ASSET	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As on 31.03.2013	Additions/ (Deletions) for the year	Value as on 31.03.2014	Opening balances upto 31.03.2013	For the year	Total upto 31.03.2014	As on 31.03.2014	As on 31.03.2013
<b>8 Tangible assets</b>								
Furniture and fittings	3,665,105	-	3,665,105	1,129,949	232,001	1,361,950	2,303,155	2,535,156
Office equipments	215,311	-	215,311	195,078	15,222	210,301	5,010	20,233
Vehicles	60,158	-	60,158	60,158	-	60,158	-	-
Computer and accessories	10,432,875	-	10,432,875	9,837,349	595,526	10,432,875	-	595,526
Others	161,361	-	161,361	161,361	-	161,361	-	-
<b>Total</b>	<b>14,534,810</b>		<b>14,534,810</b>	<b>11,383,895</b>	<b>842,750</b>	<b>12,226,645</b>	<b>2,308,165</b>	<b>3,150,915</b>
<b>9 Intangible assets</b>								
Software	-	2,100,000	2,100,000	-	13,990	13,990	2,086,010	-
<b>Total</b>	<b>-</b>	<b>2,100,000</b>	<b>2,100,000</b>	<b>-</b>	<b>13,990</b>	<b>13,990</b>	<b>2,086,010</b>	<b>-</b>
<b>10 Intangible Assets WIP</b>								
Capital WIP	8071212	-1474000	6,597,212				6,597,212	8,071,212
<b>Grand Total</b>	<b>22606021.97</b>	<b>626000.00</b>	<b>23232021.97</b>	<b>11383894.81</b>	<b>856740.00</b>	<b>12240634.92</b>	<b>10991387.00</b>	<b>11222127.16</b>

ENCORE BUSINESS SYSTEM LIMITED  
**Cash flow Statement for the year ended March 31, 2014**  
 (All amounts are in Indian Rupees, except share data or as stated)

	Note No.	For the year ended March 31, 2014	For the year ended March 31, 2013
<b>Cash flow from operating activities</b>			
Profit before taxation		46,797	15,104
<b>Adjustments for:</b>			
Depreciation / amortisation		856,740	1,022,515
Interest expenses		389	462
Loss on sale of investments		-	-
Interest income		-	-
Dividend income		-	-
Provision for doubtful debts/ Provision written back		-	-
Loss on sale of tangible assets		-	-
<b>Operating cash flow before working capital changes</b>		<b>903,926</b>	<b>1,038,081</b>
<i>Adjustments for:</i>			
(Increase)/decrease in trade receivables		(76,375)	(327,500)
(Increase)/decrease in loans and advances and other current assets		(180,000)	-
Increase/(decrease) in current liabilities and provisions		38,917	(22,476)
Increase /(decrease) in provisions		-	-
<b>Cash generated from operations</b>		<b>686,468</b>	<b>688,105</b>
Income taxes paid		-	-
<b>Net cash provided/(used) by operating activities</b>	<b>A</b>	<b>686,468</b>	<b>688,105</b>
<b>Cash flow from investing activities</b>			
Purchase of tangible assets/intangible asset		(626,000.00)	(425,730.00)
Proceeds from sale of tangible assets		-	-
Purchase of investment		-	-
Sale of investment		-	-
Loss on sale of investment		-	-
Dividend income		-	-
Interest income		-	-
<b>Net cash (used)/provided by investing activities</b>	<b>B</b>	<b>(626,000)</b>	<b>(425,730)</b>
<b>Cash flow from financing activities</b>			
Repayment of finance lease obligations		-	-
Increase/(decrease) in cash credit and overdraft facilities		-	-
Interest paid		(389)	(462)
Income from Investment		(34,188)	-
Dividend paid (including dividend tax)		-	-
<b>Net cash (used)/provided by financing activities</b>	<b>C</b>	<b>(34,577)</b>	<b>(462)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>A+B+C</b>	<b>25,891</b>	<b>261,913</b>
Cash and cash equivalents / margin money at the beginning of the year		<b>280,807</b>	<b>18,894</b>
<b>Cash and cash equivalents / margin money at the end of the year</b>	<b>13</b>	<b>306,698</b>	<b>280,807</b>

**Supplementary information**

The schedules referred to above and notes thereon form an integral part of the financial statements

This is the cash flow statement referred to in our report of even date

for Parimelazhagan & co  
 Chartered Accountants  
 Firm Registration no.6514S

**for and on behalf of Board of Directors of**

S.Parimelazhagan  
 Proprieter  
 Membership No. 200970

**R.Rangarajan**      **R. Rajalakshmi**  
 Director                      Director

Place: Chennai  
 Date:25.06.2014